



CIRCULAR

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REPORTING OF SUSPICIOUS AND FRAUDULENT TRANSACTIONS

The Exchange wishes to remind Dealing Members that they have a responsibility to disclose to The Exchange any matters regarding their operations upon which The Exchange can reasonably expect notice. Moreover, Dealing Members are reminded that they are obliged to inform The Exchange of any breaches of its rules as prescribed in Rule 1.6 of the Rulebook of The Exchange, 2015 (Dealing Members' Rules) which provides that:

Rule 1.6: Duty to Observe and Report Breaches

"It is the duty of every Dealing Member of The Exchange to observe these Rules and Regulations and to report forthwith any breach of the Articles or Rules and Regulations by any other Dealing Member in writing to the National Council of The Exchange, or through the Branch Councils to the National Council of The Exchange. Any Dealing Member, being aware of any breach on the part of another Dealing Member and failing to report the same to Council as aforesaid, shall himself/itself be guilty of a breach of these Rules and Regulations".

Specifically, The Exchange draws the attention of Dealing Members to Rule 1.14 of the Rulebook of The Exchange 2015 (Dealing Members' Rules), the text of which is set forth below for ease of reference:

Rule 1.14: Disclosure Obligation

Every Dealing Member is required to deal with The Exchange in an open and cooperative manner, and shall disclose any matter relating to the operations of the firm on which The Exchange would reasonably expect notice. The foregoing obligation shall be in addition to all financial disclosures to The Exchange.

Please note that the Council of The Exchange may exercise disciplinary powers against a Dealing Member that fails to report any fraudulent transactions as required by the Rules of The Exchange. For emphasis, Rule 19.2 Rulebook of The Exchange, 2015 (Dealing Members' Rules) provides that:

Rule 19.2: Specific Powers of Council

"The Council and (subject to Rule 19.1 (b) hereof) the Committee may exercise their disciplinary powers against a Dealing Member in such manner as prescribed by these Rules and Regulations where such Dealing Member:



- (a) *Is or has been in breach of these Rules or any Regulations made here under; disobeys or challenges any lawful exercise of any power pursuant or incidental thereto; or has shielded or assisted or omitted to report or has dealt with any Dealing Member with the knowledge that such Dealing Member has acted contrary to these Rules;*
- (j) *Deals with any person, body, firm, corporation or company who or which may have been announced or declared by The Exchange or otherwise notified to the Dealing Members as one who or which has defaulted in carrying out its engagements or obligations relating to securities;*
- (l) *Fails to report a transaction or knowingly makes or reports a false or fictitious transaction;*
- (y) *Shields or assists, or omits to report, or deals with, any Member who it knows has acted contrary to these Rules;”*

Dealing Members are also reminded and advised to carry out their business and execute their transactions in accordance with applicable laws, rules and regulations as provided in Rule 17.1 of the Rulebook of The Exchange, 2015 (Dealing Members’ Rules) that:

Rule 17.1: Just and Equitable Principles

“Every Dealing Member shall transact its business in a just and equitable manner and every transaction, whether for the account of the member effecting it or for the account of a client, must be fulfilled according to applicable laws, rules and regulations.”

Please be guided accordingly.

Olufemi Shobanjo

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