

**CIRCULAR**

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**PROHIBITION OF COLLECTION CENTERS**

The Exchange has observed that a number of Dealing Member Firms maintain Collection Centres in various states across the country. This is a violation of the Rules and Regulations governing Dealing Members and poses a significant risk to the integrity of the market. The Exchange recognizes only the Head Office, Branch and Representative Offices and does not recognize Collection Centres.

Dealing Members are by this circular reminded about the relevant provisions on the establishment and maintenance of Dealing Member Offices in [The Rulebook](#) of The Nigerian Stock Exchange, 2015 (Dealing Members Rules) including the following:

- i. Rule 6.12: **Specific Actions Requiring Prior Consent of The Exchange** "A Dealing Members shall not be allowed to do any of the following without the prior written consent of The Exchange: (a) to establish or maintain any branch office";
- ii. Rule 9.6: **Control of Offices and Trading Terminals (a) – (j)**;
- iii. Rule 21.1: **Definition of Representative Office** "A Representative Office is a Dealing Member office specifically established for the purpose of receiving and collecting transaction orders and instruments from or on behalf of clients and transmitting same to the Head Office or a branch office for execution and verification"; and
- iv. Rule 21.3: **Establishment and Maintenance of Representative Office** "Members shall comply with the following requirements for establishing and maintaining their Representative Offices:
  - (a) The Dealing Member shall make an Application in writing to The Exchange detailing the address and location of the proposed representative office.
  - (b) Approval of the application shall be communicated to the Dealing Member in writing if The Exchange is satisfied that the registration requirements have been met by the Dealing Member".

*For ease of reference, an extract of the Representative Office rules from the Rulebook of The Nigerian Stock Exchange, 2015 (Dealing Members' Rules) and Frequently Asked Questions (FAQs) on Representative Offices are hereby attached.*

Dealing Members operating Collection Centres are by this circular directed to desist from operating such offices and to immediately commence the process of upgrading them to Representative Offices in line with the Rules cited above. Note that failure to comply will attract regulatory sanctions.

Please be guided accordingly.



**Olufemi Shobanjo**

Head, Broker Dealer Regulation

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