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**CIRCULAR**

NSE/RD/BDR/CIR4/20/02/03

February 3, 2020

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**Trading by Unauthorized Persons and Prohibition of Sharing Access Log-in Details and Passwords**

Further to the circular referenced **NSE/LARD/BDR/CIR5/15/03/06**, Dealing Members are hereby reminded of certain provisions in The Rulebook of The Nigerian Stock Exchange, 2015 (Dealing Members Rules) and its relevant amendments, which prohibit the **sharing of access log-in details and passwords**.

The provision of these rules specifically address the following:

1. Unauthorized persons trading on platforms of The Exchange;
2. Granting unauthorized persons' access to trading facilities;
3. Disclosure of passwords to other users and unauthorized persons; and
4. Authorized Dealing Clerks not submitting their access control card upon resignation/or a change of designation.

Consequently, Dealing Members are reminded that:

1. Dealing Members are responsible for the actions of their employees.
2. All employees, who are not Authorized Dealing Clerks of The Exchange are strictly prohibited from accessing the trading facilities of Dealing Members.
3. The log-in details and password of Authorized Dealing Clerks cannot be shared with other Authorized Dealing Clerks or users.
4. Upon the resignation of an Authorized Dealing Clerk, The Exchange should be duly notified in writing within twenty-four (24) hours.
5. Every Dealing Member is required to return to The Exchange, the trading floor badge and access control card of an Authorized Dealing Clerk upon his/her resignation/or a change of designation.

Dealing Members are also reminded to adhere to the following Rules and Regulations Governing Dealing Members;

1. **Rule 9.1: Responsibility for Employees' Actions**, Rulebook of The Exchange, 2015 (Dealing Members' Rules) which provides that:

*"Without prejudice to any regulation, every Dealing Member shall be responsible for all the actions of its employees."*

2. **Rule 9.3: Supervision and Internal Controls**, Rulebook of The Exchange, 2015 (Dealing Members' Rules) which provides that:

*“(a) Each Dealing Member shall establish and maintain a system to supervise and ensure compliance of the activities of its officers, Stockbrokers and employees. Final responsibility for proper supervision rests with the Dealing Member.*

*The supervisory system shall provide for written procedures to be established, maintained and enforced that are designed to supervise the types of business in which the Dealing Member is involved. The procedures must identify the individual supervisory persons, the Compliance Officer and their titles and qualifications. The Dealing Member shall have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications and experience of any person assigned as Stockbroker or employee directly involved in the securities business.”*

3. **Rule 15.12: Responsibility of Dealing Member**, Rulebook of The Exchange, 2015 (Dealing Members’ Rules) which provides that:

*“A Dealing Member firm shall be fully responsible for all matters arising from access to the trading engine through its Trader Identification Code and Password.”*

4. **Rule 15.16: (a) and (b) Use of Trading System Access Codes**, Rulebook of The Exchange, 2015 (Dealing Members’ Rules) which provides that:

*“(a) The Exchange will issue to every Dealing Member trading codes for access to the trading engine of the floor of The Exchange and no Dealing Member or user thereof shall share its log-in details and password with another Dealing Member or user.*

*(b) Any Dealing Member or user that breaches the provisions of sub-rule (a) above, shall in addition to any other punishment which The Exchange may impose, be –*

- (1) Suspended for two (2) weeks; and*
- (2) Fined Five Hundred Thousand Naira (N500,000)”.*

5. **Rule 17.6: (d) and (e) Trading Floor Dress Code, Identification Badges and Access Control Cards for Authorized Clerks**, Rulebook of The Exchange, 2015 (Dealing Members’ Rules) which provides that:

*“(d) Any Authorized Clerk or Trainee Authorized Clerk that is suspended from the trading floor and denied access to the trading platform shall forthwith surrender his trading floor badge and access control card to The Exchange. Until his suspension is lifted and he is readmitted to the trading floor, his trading floor badge shall be revoked and he shall be denied access to the trading platform and his access control card shall be deactivated.*

- (e) *Trading floor badges and access control cards remain the property of The Exchange and shall be surrendered to The Exchange upon the occurrence of any of the following:*
- (1) *Suspension*
  - (2) *Revocation of registration*
  - (3) *Resignation*
  - (4) *Expulsion”.*

To find the above referenced rules, click on the link below:

<http://www.nse.com.ng/regulation-site/Documents/The%20NSE%20RuleBook%202015.pdf>

Note that failure to comply with the provisions above will attract appropriate regulatory sanctions.

Please be guided accordingly.



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