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**PROPOSED AMENDMENTS TO THE RULEBOOK OF THE EXCHANGE  
(ISSUERS' RULES)**

**CHAPTER 8 : SECURITIES ISSUED BY STATUTORY BODIES RULES FOR LISTING OF  
DEBT SECURITIES**

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**Legend:** Additions are underlined; Deletions are ~~struck-through~~

**PROPOSED RULES FOR LISTING OF DEBT SECURITIES**

**1.0 SCOPE**

- 1.1 These Rules apply to the listing of debt securities, such as bonds, notes, loan stocks, preference shares of public companies (including Special Purpose Vehicles), supranational bodies, governments, government agencies or any other entities (all referred to as Issuers for the purpose of these Rules), whether established in Nigeria or elsewhere, offered to the general public or qualified investors. The provisions of these Rules shall also apply to the listing of Eurobonds, which are debt securities denominated in a currency other than the home currency of the Issuer. The Rules shall replace the existing Chapter 8: Securities Issued by Statutory Bodies, Rulebook of The Exchange, 2015 (Issuers Rules).
- 1.2 The approval granted by The Exchange for the listing of the debt securities of an Issuer does not indicate any opinion by The Exchange on that Issuer's standing, its corporate bonds, or on the veracity of any information provided by the Issuer. The Issuer's directors and other relevant representatives shall be accountable for the veracity of any information provided to The Exchange as well as the authenticity of any supporting documents.

**2.0 DEFINITION OF TERMS**

For the purpose of these Rules, unless the context otherwise requires -

SEC or Commission means the Securities and Exchange Commission.

Debt Security means a debt instrument such as government bonds, corporate bonds, municipal bonds, preferred stock, collateralized securities and zero-coupon securities, which can be bought or sold between two parties, and has defined basic terms such as notional amount, interest and maturity/renewal date.

Information Memorandum includes circular, explanatory memorandum, or other equivalent document circulated, and relating to the securities for which listing is sought.

<u>Issuer</u>	<u>means any entity, any class of whose securities or products has been admitted into listing by Nigerian Exchange Limited.</u>
<u>Prospectus</u>	<u>means any written or electronic information, notice, advertisement or other forms of invitation offering to the public for subscription or purchase, any shares, debentures or other approved and recognized securities of a company and other issues or scheme.</u>
<u>Sponsor</u>	<u>means a Trading License Holder of the applicant Issuer or any other market participant licensed by The Exchange to sponsor listing applications to The Exchange.</u>
<u>The Exchange</u>	<u>means Nigerian Exchange Limited.</u>
<u>Convertible instrument</u>	<u>means debt or equity instruments that either require or permit the investor to convert the instrument into equity securities of the Issuer.</u>
<u>Obligor</u>	<u>means an entity or person that is contractually bound under the debt agreement to make all principal repayments and interest payments on outstanding debt.</u>
<u>Thematic Instrument</u>	<u>means a financial instrument that is designed to adopt a long-term investment approach with a focus on broader, macroeconomic themes and access to returns from such investment trends.</u>

### **3.0 GENERAL REQUIREMENTS FOR LISTING OF DEBT SECURITIES**

- 3.1 An Issuer seeking to list its debts securities shall comply with the requirements set out in these Rules in addition to complying with the relevant provisions of the Companies and Allied Matters Act 2020, the Investments and Securities Act, 2007, SEC Rules and Regulations (as may be amended from time to time) and other relevant statutory requirements.
- 3.2 An application for listing of the Issuer's debt security will only be considered if submitted by a Sponsor.
- 3.3 Where Debt Securities are issued under a programme, each series/tranche shall be deemed a separate class for the purpose of these Rules and the Issuer may list on The Exchange either all or a certain class of the debt securities issued under the programme.
- 3.4 The Issuer must file a formal application accompanied by a non-refundable application processing fee and applicable listing fees as may be prescribed by The Exchange from time to time.
- 3.5 The Issuer must be duly incorporated as a public company in Nigeria or otherwise validly established under Nigerian Law and empowered to issue securities to the public, and must be operating in conformity with its Memorandum and Articles of Association or relevant constitutional documents, and all relevant laws of Nigeria.

- 3.6 All debt securities for which listing is sought shall first be registered with the SEC. Where the securities have not been registered with the SEC as at the time of application, evidence of filing an application for registration of the securities with the SEC may be filed with The Exchange at the time of application, provided that the securities shall only be listed after the securities have been so registered by SEC.
- 3.7 The debt securities for which listing is sought must be freely transferrable and fully paid up at the time of allotment in compliance with the SEC requirements.
- 3.8 An Issuer seeking a listing of its debt securities shall execute a copy of the General Undertaking which states, inter alia, that it shall promptly provide, information requested regarding its operations, and comply fully with all the Continuing Listing Obligations of The Exchange set forth in the form prescribed by The Exchange from time to time.
- 3.9 All Issuers granted listing rights on The Exchange shall pay all applicable annual listing fees as provided in these Rules or reviewed by The Exchange from time to time.
- 3.10 The provisions of these Rules shall not affect The Exchange's right to require the Issuer of a listed security to file documents with or pay fees to The Exchange in connection with the modification of such security or the issuance of additional securities.
- 3.11 For the purpose of these Rules, the subscription process for a Debt Security shall be as prescribed by the Commission.
- 3.12 The Exchange may approve applications for listing of a Debt Security unconditionally or subject to such conditions, as it may deem fit.
- 3.13 Where the Issuer of the Debt Security to be listed is incorporated outside Nigeria, the provisions of The Exchange's Cross Border Listing Rules will apply.
- 3.14 Where the Issuer is a Special Purpose Vehicle, the Obligor shall comply with:
- (a) the requirements imposed on the Issuer under the Rules of the Commission as if it were the Issuer;
  - (b) the requirements imposed on the Issuer under The Exchange's Rules, including the continuing listing obligations imposed on the Issuer under the Listing Rules of The Exchange, as if it were the Issuer; and
  - (c) such directives as may be issued by The Exchange from time to time.
- 3.15 Where the debt instrument is a Green Bond, Sukuk or such other thematic instrument, the Issuer shall comply with the requirements of the Commission and The Exchange and any relevant guideline issued by The Exchange or SEC that is applicable to that type of securities.
- 3.16 These general requirements are not exhaustive and The Exchange may add thereto or subtract therefrom as considered necessary, subject to the approval of the Commission.

#### **4.0 LISTING REQUIREMENTS FOR CORPORATE DEBT SECURITIES/BONDS**

For the purpose of these Rules, debt securities including Convertible Instruments issued by any public company, SPVs, and supranational bodies shall be referred to as corporate debt securities or corporate bonds.

These Rules set out the requirements applicable to all Issuers of corporate bonds.

#### **4.1 Requirements for Listing of Corporate Bonds**

4.1.1 To qualify for listing on The Exchange, a corporate bond Issuer shall:

- (a) Comply with the General Requirements set out in Rule 3.0 above.
- (b) Have a minimum of two (2) years' operating track record. Where the Issuer is an SPV with less than two (2) years' operating track record, the Obligor shall be expected to meet this criterion.
- (c) Have audited financial statements covering the last two (2) financial years provided that the most recent statement at the time of submission of the application is not more than nine (9) months old. Where the Issuer is an SPV, the Obligor shall be required to meet this criterion.
- (d) Comply with the law of the place where it is incorporated or established.
- (e) Be duly authorized to issue debt securities in terms of its Memorandum of Articles of Association or constitution as the case may be.
- (f) Have a resolution of its board authorizing the issue of the security.
- (g) Have a resolution of shareholders passed at a general meeting where:
  - (i) The amount to be listed is beyond the specified limit on the borrowing powers of the directors in the Memorandum and Articles of Association or Constitution of the Issuer; and/or
  - (ii) The security to be listed is a Convertible Instrument.

#### **4.2 Required Documents and Listing Procedures**

4.2.1 The following documents shall be submitted to The Exchange in a format prescribed by The Exchange from time to time:

- (a) The application by the Issuer shall be accompanied by the documents listed in the relevant checklist for listing of Corporate Bonds as may be prescribed by The Exchange from time to time.
- (b) An Information Memorandum, where there has been a change in the information contained in the Prospectus or applicable offer document since the date of issue.

4.2.2 Where the debts securities are convertible instruments or bonds, The Exchange may only list bonds where it is satisfied that the Issuer has made necessary information available to bondholders or investors to enable them form an enlightened opinion concerning the underlying equity securities to which the Convertible Instruments/Bonds relate.

4.2.3 After The Exchange's approval for listing of a corporate bond and the Issuer's satisfaction of all conditions prescribed by The Exchange, the Issuer shall make a formal request for listing the security and may indicate a preferred listing date. Unless The Exchange accepts the proposed date, the preferred listing date shall not be less than three (3) days from the date of The Exchange's receipt of the Issuer's formal request to list the securities.

- 4.2.4 The Issuer shall publish the following documents submitted during the application review process on the Issuer's website at least twenty four (24) hours before the listing day; and on The Exchange's Issuers Portal no later than forty eight (48) hours after the listing:
- (a) Prospectus approved by SEC and/or Information Memorandum approved by The Exchange.
  - (b) A copy of the Issuers' latest audited financial statements.
  - (c) Any other document required by The Exchange.

## **5.0 LISTING REQUIREMENTS FOR GOVERNMENT DEBT SECURITIES AND DEBT SECURITIES ISSUED BY STATUTORY BODIES**

For the purpose of these Rules, debt securities issued by State Governments, Local Governments and statutory bodies shall be referred to as government debt securities/bonds. This provisions set out the requirements applicable to all Issuers of government bonds.

### **5.1 Qualification For Listing**

To qualify for listing on The Exchange, a government bond Issuer shall comply with the general requirements set out in Rule 3.0 of these Rules (as applicable).

### **5.2 Required Documents for Issuers of Government Debt Securities and Listing Procedure**

5.2.1 The following documents shall be submitted to The Exchange in a format prescribed by The Exchange from time to time:

- (a) The application by the Issuer shall be accompanied by the documents listed in the relevant checklist for listing of Government Bonds/Debt Securities prescribed by The Exchange from time to time.
- (b) An Information Memorandum where there has been a change in the information contained in the Prospectus since the date of issue.

5.2.2 After approval for listing of a government bond by The Exchange and the Issuer's satisfaction of the conditions prescribed by the Exchange, the Issuer shall make a formal request for listing the security and may state a preferred listing date. Unless agreed by The Exchange, the preferred listing date shall not be less than three (3) days from the date of The Exchange's receipt of the Issuer's formal request to list the securities.

5.2.3 The Issuer shall publish the following documents submitted during the application review process on the Issuer's website at least twenty-four (24) hours before the listing day; and on The Exchange's Issuers Portal no later than forty-eight (48) hours after the listing:

- (a) Prospectus approved by SEC and/or Information Memorandum approved by The Exchange.
- (b) A copy of the Issuers' latest audited financial statements.
- (c) Any other document required by The Exchange.

## **6.0 LISTING REQUIREMENTS FOR FEDERAL GOVERNMENT DEBT SECURITIES**

6.1 The issuance of bonds by the Federal Government of Nigeria shall be subject to the following requirements:

6.1.1 An application for listing shall be accompanied by adequate documents containing details about the securities to be listed, including the International Securities Identification Number (ISIN).

6.1.2 Provided that where sufficient details of the security have been submitted to The Exchange through a designated channel, The Exchange will proceed to list the securities.

## **7.0 CONTINUING LISTING OBLIGATIONS FOR ISSUERS OF DEBT SECURITIES**

### **7.1 Preamble**

Every Issuer shall ensure that investors and the public are kept fully informed of all factors which might affect their interest and that immediate disclosure is made of any information which might reasonably be expected to have material effect on market activity in, and the prices or value of, the listed securities.

### **7.2 Notifications to The Exchange**

7.2.1 Issuers of Debt Securities shall immediately notify The Exchange without delay of any material circumstance likely to affect their financial condition, including without limitation to the following:

- (a) any decision to pass any interest payment,
- (b) the date of closing the books, or the striking of balance for the payment of interest in the case of a registered or inscribed security,
- (c) all proposed drawings,
- (d) the date on which it is proposed to close the books for purpose of making drawings in the case of a registered security,
- (e) the amount of the security outstanding after any purchase or drawing has been made,
- (f) any extension of time granted to the duration of temporary documents,
- (g) annual progress report on the status of the project,
- (h) any proposed change in the trustees,
- (i) any proposed alteration of the trust deed,
- (j) any proposed change in the collateral, if any, deposited under the trust deed,
- (k) All resolutions passed by the holders of the security immediately and not later than two (2) business days of the passing of the resolutions,

- (l) All information requested by The Exchange regarding its operations and/or the securities.

**7.2.2** Issuers of corporate debt securities shall in addition to Rule 7.2.1 above, immediately notify The Exchange without delay of the following:

- (a) any change in their directors and substantial shareholders,
- (b) any proposed change in the general character or nature of the business of the company or of the group.
- (c) resolutions passed by the Issuer other than resolutions passed at an annual general meeting for the purpose of adopting the report and accounts declaring dividends and re-electing directors and auditors,
- (d) any change in the external auditor of the company.

**7.3** Financial Reporting and Periodic Disclosure

**7.3.1** Audited Accounts

- (a) All Issuers of corporate bonds shall announce their audited financial statements for the full financial year immediately after the figures are available, but in any event not later than ninety (90) days after the relevant financial period. Submission of the financial statements shall be in accordance with the format specified by The Exchange in the Rules Governing the Use of the Issuers' Portal and an Issuer shall ensure that the annual financial report remains available to the public on its website for at least a period of five (5) years after publication.
- (b) All Issuers of State Government Debt Securities and Debt Securities Issued by Statutory Bodies shall announce the audited financial statements for the full financial year immediately after the figures are available for the duration the securities are listed on the Exchange. Submission of the financial statements shall be in accordance with the format specified by The Exchange in the Rules Governing the Use of the Issuers' Portal and an Issuer shall ensure that the annual financial report remains available to the public for at least a period of five (5) years after publication.
- (c) All Issuers of State Government and Local Government debt securities shall publish information on the funds utilization annually through the Issuers Portal of The Exchange.

**7.3.2** Half Year Financial Statements

All Issuers of corporate bonds shall announce their half year financial statements immediately after the figures are available, via the Issuers' Portal of The Exchange, but in any event not later than thirty (30) days after the relevant financial period, for the duration the bonds are listed on The Exchange.

**7.3.3** Quarterly Financial statements

All Issuers of corporate bonds shall publish their signed quarterly balance sheet, income statement and cash flow statements via the Issuers' Portal of The Exchange not later than

thirty (30) days after the financial period, for the duration that the bonds are listed on The Exchange.

#### **7.4 Annual Listing Fees**

Every Issuer shall pay the annual Listing fee as prescribed or reviewed by The Exchange from time to time.

#### **7.5 Alteration in the Terms of the Debt Securities**

No alterations in the terms of the bonds after issue shall be effective without prior notification to, and the approval of The Exchange.

#### **7.6 Additional Requirements for Issuers of Sustainable Finance**

An Issuer of sustainable finance shall, in addition to complying with the requirements of these Rules, comply with the applicable SEC requirements, and file the required reports and disclosures via The Exchange's Issuers' Portal.

### **8.0 REQUIREMENTS FOR DELISTING OF DEBT INSTRUMENTS**

8.1 Any listed Debt Security shall be delisted as follows:

- (a) On the day of maturity; or
- (b) Before the maturity date upon request by the Issuer, which may be due to the early redemption of the debt securities or occurrence of any of the events which the Trustee has declared would render the debt securities to be immediately due and repayable pursuant to the Trust Deed; or
- (c) By The Exchange before the maturity date, in accordance with these Rules.

8.2 The Exchange may delist a Debt Security before its maturity date:

- (a) If in the opinion of The Exchange, the continued listing of the securities is not in the public's interest,
- (b) In compliance with an Order of Court or governmental authority (either interim or final),
- (c) Where there is an appeal against such order of court or governmental authority, The Exchange shall stay its decision to delist pending the determination of the appeal.

Provided that:

- (d) The Exchange shall notify the Commission of the delisting of any listed Debt Security in line with SEC's Rules and Regulations,
- (e) The Issuers of a delisted security may within ten (10) days appeal to the Commission for review of The Exchange's decision.

- 8.3 Where an Issuer applies to delist its Debt Security, the Issuer is required to submit a written application and the following documents:
- (a) In the case of a corporate Issuer, a certified copy of board and bondholders' resolution approving the delisting; and
  - (b) In the case of a government Issuer, a certified copy of the Federal, State or Local Executive Council and bondholders' resolution approving the delisting.

## **9.0 Sanctions**

- 9.1 Where an Issuer breaches any of the provisions of these Rules, The Exchange may impose any or a combination of the following sanctions:
- (a) Private or public censure;
  - (b) Mandatory compliance training;
  - (c) Suspension of the Issuer's securities;
  - (d) Delisting of the convertible securities; and
  - (e) Any other penalty that The Exchange deems appropriate in the circumstance.

## **CHAPTER 8**

### **SECURITIES ISSUED BY STATUTORY BODIES**

#### **Rule 8.1: ~~Securities Issued by Statutory Bodies~~**

~~On application, the Central Bank of Nigeria and other Statutory Bodies shall publish prospectus, the contents of which shall include:~~

#### **(a) ~~THE CENTRAL BANK~~**

- ~~(1) Full name of issuing authority;~~
- ~~(2) The amount and title of the issue;~~
- ~~(3) Price of issue;~~
- ~~(4) A statement, in a form approved by The Exchange, that application has been made to the Council of The Exchange for listing of the relevant securities;~~
- ~~(5) Opening and closing date of application;~~
- ~~(6) Object of the issue;~~
- ~~(7) The revenue against which the security is charged;~~
- ~~(8) Authority under which the security is issued;~~
- ~~(9) The place at which applications will be accepted;~~

- (10) ~~Full particulars of the securities, e.g. the setting up of any sinking fund or of any rights of the Federal Government or public authority to redeem before maturity;~~
- (11) ~~Date of interest payments;~~
- (12) ~~Tax position on interest payments;~~
- (13) ~~Trustee status;~~
- (14) ~~Maintenance of register;~~
- (15) ~~A reasonable time, to be specified, during which copies of any law or other authority under which the security has been issued may be inspected at the Central Bank of Nigeria.~~

EXPOSURE DRAFT

**(b) STATES, LOCAL GOVERNMENT AND OTHER STATUTORY BODIES**

(1) The full name of the issuing authority;

(2) A statement as follows:

~~“This advertisement is issued in compliance with Regulations of The Nigerian Stock Exchange for the purpose of giving information to the public with regard to the authority. The directors (or other executive management as appropriate) collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in the advertisement misleading”.~~

~~In case of authorities where there are no directors, application should be made to The Exchange for the form of heading and other requirements;~~

(3) A statement that application has been made to Council of The Exchange, for permission to deal in and for listing of the securities;

(4) The amount and title of the security for which listing is sought;

(5) The authority under which the security is issued;

(6) Details of the revenue and capital against which the security is charged;

(7) In the case of a public utility company, details of the areas served by the company;

(8) Purpose of issue and description of the project, stating:

(A) Economic factors involved;

(B) Income and cash flow forecast;

(C) Write up on management and directors of the enterprise;

(9) Full particulars of the security for which listing is sought and in particular:

(A) The rights conferred as regards income and capital, with full information as to the amount and application of any sinking fund; any right of the authority to redeem before maturity, any rights and the security upon which any loan is charged.

(B) The price of and the terms upon which the security has been issued or agreed to be issued, and whether the same has or has not been paid up in full, particulars of all payments still to be made with due dates must be given.

(C) The dates and parties to all material contracts affecting the issue of the security with a description of the general nature of the contract.

- ~~(10) Particulars of any capital which is under option or agreed conditionally or unconditionally to be put under option with the price and duration of the option and consideration for which the option was granted and the name and address of the grantee.~~
- ~~(11) A copy of the last audited balance sheet and profit and loss or income and expenditure account with a copy of the auditors' certificate and any notes or observations, in or on the balance sheet required to be published by any legislation relating to the company;~~
- ~~(12) A statement by the Solicitor-General of the state or any other legal officer authorised in that behalf to the effect that all the legal requirements relating to the issue have been complied with;~~
- ~~(13) A statement by the Accountant-General that to the best of his knowledge and belief, there is nothing contained in the prospectus which will make the statement regarding the financial viability of the project misleading;~~
- ~~(14) The guarantee by state Government of the loan or debenture stating priority claim of repayments of the loan against resources of the said authority;~~
- ~~(15) The full names and particulars of directors;~~
- ~~(16) The full names, professional qualification and address of the Secretary and situation of Registered Office;~~
- ~~(17) The names and addresses of the bankers, stockbrokers, solicitors, auditors, agents and trustees;~~
- ~~(18) A statement that for a period (not less than fourteen (14) days) at a named place in Lagos (or such other Centre as The Exchange may approve) a copy of the statutes, orders or other authorities under which the security has been created and issued, together with copies of all the material contracts, trust deed (if any) and of all reports, letters, balance sheets, valuations, and statements by any expert and where any of the above mentioned documents are not in English language, notarially certified transaction thereof may be inspected.~~
- ~~(19) Any other information that may be required by The Exchange~~