RULEBOOK OF NIGERIAN EXCHANGE LIMITED

PROPOSED AMENDMENTS TO TRADING LICENCE HOLDERS’ RULES

RULE 6.1: DEALING MEMBER TRADING LICENSE HOLDER: GENERAL REQUIREMENTS

Legend: Additions are bolded and underlined, deletions struck through

Rule 6.1: Dealing Member Trading License Holder: General Requirements

(a) A Dealing Member Trading License Holder is as defined under these Rules, a Member company of The Exchange that has been granted a licence by The Exchange to deal in stocks, shares and other securities listed on The Exchange.

(b) A Firm that wishes to operate as a Dealing Member Trading License Holder of the Exchange shall note the following:

(1) A Dealing Member Trading License Holder shall be registered as a Broker/Dealer, or Broker, or Dealer by the Securities and Exchange Commission (the SEC) appropriate government regulator(s) and shall operate within the parameters and restrictions provided for Broker/Dealer such registration by the SEC Rules of the relevant government regulator(s) for its registration as such;

(2) A Sub-Broker shall not be licensed by The Exchange, and shall not be treated as a Dealing Member Trading License Holder of The Nigerian Stock Exchange Limited. A Sub-broker shall be any person or entity not being a Dealing Member Trading License Holder, that is registered by the Securities and Exchange Commission (the SEC) as a Sub-Broker; and acts on behalf of a Dealing Member Trading License Holder as its agent for assisting investors in buying, selling or dealing in securities Products through such Dealing Member Trading License Holder.

(3) The Dealing Member Firm Trading License Holder shall be licensed by The Exchange to transact business on its floors and/or given remote access to The Exchange’s trading engine;

(4) The Dealing Member Firm Trading License Holder shall be known and referred to as a “Member Trading License Holder of The Nigerian Stock Exchange Limited”;

(5) The Dealing Member Trading License Holder Firm shall be under an obligation to maintain the minimum capital requirement set by the SEC—CBN and other relevant regulatory entities from time to time;
(5) **Trading License Holders shall meet the minimum requirements and standards as prescribed by The Exchange from time to time for the following:**

(a) Technology,
(b) Manpower and equipment,
(c) Organizational structure and governance,
(d) Effective processes,
(e) Global competitiveness.

(6) The Exchange shall put in place a mechanism to monitor the capital adequacy of the Dealing Member Firm on a daily basis;

(7) Where the capital adequacy of the Dealing Member Firm Trading License Holder falls below the minimum requirement, the Dealing Member Firm Trading License Holder shall be suspended immediately and be required to shore up its capital within twenty-four (24) hours.”

(8) **The Dealing Member Trading License Holder** shall engage in dealings that assist in the maintenance of a fair and orderly market, and The Exchange may suspend, revoke the license of a Dealing Member Trading License Holder if it finds any substantial or continued failure by a Dealing Member Trading License Holder to engage in such dealings.