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**RULEBOOK OF NIGERIAN EXCHANGE LIMITED**

**PROPOSED RULES FOR LISTING OF DIGITAL ASSETS AND TOKENS**

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**1.0 Introduction**

- 1.1 These Rules provide a practical guide for the listing of Digital Tokens and Assets on The Exchange. The Rules will provide Issuers, Virtual Asset Service Providers and their advisors with important information about the requirements for the listing of Digital Tokens or Digital Assets.
- 1.2 Any Digital Asset to be listed on The Exchange shall comply with these Digital Asset Listing Rules.
- 1.3 The approval granted by The Exchange for the listing of a Digital Asset or Token should not be taken as The Exchange’s opinion on that Issuer’s standing or on its Digital Asset or Token. The Issuer’s directors shall be accountable for the veracity of any information provided to The Exchange as well as the authenticity of any supporting documents.

**2.0 Definitions**

Custodian as defined in the Rules and Regulations of the Commission.

Digital Asset/Token a digital token that represents assets such as a debt or equity claim on the Issuer as defined in the Investments and Securities Act (ISA).

A Digital token may include:

- a share, where it confers or represents ownership or economic rights of the holder of the security token in a corporate entity or company
- a debt, where it constitutes or evidences the indebtedness of the Issuer of the Security Token in respect of any money lent to the Issuer by a holder of the Security Token;
- a derivative, whether on securities or commodities; or
- a unit in a collective investment scheme (“CIS”), where it represents a right or interest in a CIS including an option to acquire a right or interest in a CIS.

Digital Asset/Token Offering include Initial Coin Offerings (ICOs) and other Blockchain-based offers of digital assets/tokens.

Virtual Asset Service Providers as defined by the Rules and Regulations of the Commission.



The Exchange	Refers to Nigerian Exchange Limited.
Initial Coin Offering	a distributed ledger technology capital raising involving the issuance of tokens to the general public in return for cash, crypto-currencies or other assets.
SEC or the Commission	means the Securities and Exchange Commission.
White Paper	a document that states the technology behind a project, including among others a detailed description of the system architecture and interaction with the users, description of the project and use of proceeds, information on the market cap, anticipated growth, other technical details and the team and advisors behind the project. It does not represent an offer to sell the tokens and is not interchangeable with a prospectus.

### **3.0 General Requirements for a Listing**

- 3.1 All Digital Assets or Tokens for which listing is sought shall first be registered with the Securities and Exchange Commission.
- 3.2 An already existing Issuer of traditional equity or debt instruments on The Exchange, may issue a combination of traditional equity and debt instruments as well as digital asset/token in subsequent offerings.
- 3.3 An applicant Issuer seeking to list its digital assets/tokens on The Exchange must be a public company.
- 3.4 Application for listing on The Exchange shall be submitted in such form as prescribed by The Exchange from time to time.
- 3.5 In its application for listing of a Digital Asset/Token, the Issuer shall provide such information as may be required by The Exchange for the listing of Digital Asset/Token as such requirements exist or are reviewed by The Exchange from time to time.
- 3.6 In addition to other documents that may be required by The Exchange from time to time, the following documents must be submitted to The Exchange for a Digital token/asset pre-listing assessment:
- (a) Completed Application form which will contain:
    - (i) Project name and token name
    - (ii) Issuer's name, legal form, country of constitution, unique entity/identification number, address and website
    - (iii) Issuer's contact(s)/representative(s), including names, emails, telephone numbers.
  - (b) Project White Paper which shall contain detailed information to guide The Exchange towards reaching an enlightened decision on whether to list the digital assets or tokens. This information will include details on the structure and contractual obligation of the issued tokens sought to be listed.



- (c) Custody agreement between the Issuer and a Custodian recognized by the Securities and Exchange Commission - this shall only be applicable to digital tokens or assets being issued on already existing equity.
- (d) Terms and conditions of offering that will be executed and be legally binding on Issuer and token holders.

#### **4.0 Continuing Obligations**

4.1 For any Digital Asset/Token to retain its listing on The Exchange, the Issuer shall comply with the continuing obligations stipulated by The Exchange from time to time. These include but are not limited to the following:

- (a) Prompt disclosure of material information which may affect the project or business of the Issuer;
- (b) Submission of audited annual financial reports and statements to The Exchange not later than ninety (90) days after the relevant financial year;
- (c) Filing with The Exchange its unaudited or audited quarterly accounts as approved by its Board of Directors not later than thirty (30) days after the relevant financial period;
- (d) All other continuing listing obligations as stipulated under the Listings Rules of The Exchange as applicable to the security being digitized and/or any other relevant requirement as may be prescribed by The Exchange from time to time.

4.2 Each Issuer of listed Digital Assets/Tokens shall comply with the SEC Corporate Governance Guidelines or such other codes as may be applicable from time to time; and shall disclose in its annual report a list of the codes of corporate governance which it is subject to, and its compliance thereto.

#### **5.0 Fees**

Each Issuer shall pay the applicable fees, including but not limited to application fee for listing on The Exchange, listing fees, as well as any other fees as may be prescribed or determined by The Exchange from time to time.

#### **6:0 Delisting Requirements**

Delisting of any listed digital asset or token shall be in line with the relevant delisting rules of The Exchange applicable to the security being tokenized and /or any other requirements prescribed by The Exchange from time to time.

#### **7.0 Sanctions**

7.1 Where an Issuer breaches any of the provisions of these Rules, The Exchange may impose any or a combination of the following sanctions:

- (a) A fine not less than ten percent (10%) of its annual listing fee or any amount as may be prescribed by The Exchange;
- (b) Private or public censure;
- (c) Mandatory compliance training;
- (d) Suspension of trading in the Digital Asset/Tokens;



- (e) Delisting of the Digital Assets/Token; and
- (f) Any other penalty that The Exchange deems appropriate in the circumstance.

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