

**NOTIFICATION OF ADDITIONS AND AMENDMENTS TO
THE RULEBOOK OF THE EXCHANGE - TRADING LICENCE HOLDERS' RULES
AND INVITATION FOR COMMENTS**

RULE 15.34 - NOMINAL TRANSFERS

Introduction

Nigerian Exchange Limited ("NGX" or "The Exchange") is proposing the following Additions and Amendments to Rule 15.34 of the Rulebook, Trading License Holders' Rules - Nominal Transfers.

Summary of the Proposed Rule Amendments/Additions

a) Additional Categories of Parties

NGX observed that the provisions of Rule 15.34(d)(2)(B) seemed only applicable to nominal transfers from an individual trustee to an individual beneficiary, and does not apply to transfers from: (1) an individual trustee to a corporate beneficiary; (2) a corporate trustee to a corporate beneficiary; and (3) a corporate trustee to an individual beneficiary.

The Exchange is proposing that the Nominal Transfer Rule be made applicable to the above additional categories of Parties to a nominal transfer.

b) Removal of "Beneficial Shareholder" in Rule 15.34(d)(3) and Replacement with "Control"

For greater harmonization across the Rule, The Exchange proposes the removal of the status of "Beneficial Shareholder" as a requirement for its approval of a nominal transfer between an individual and a corporate entity, and its replacement with "Control", which is more applicable.

For clarity, The Exchange proposes the inclusion of a definition of "Control"; and that it should have the same meaning as used in Section 119(3) of the Investments and Securities Act, 2007, and as amended from time to time.

c) Harmonization of Certain Requirements of the NGX Quick Guide to Nominal Transfer Transaction Processing with the Rule

The Amendments also address delays experienced by applicants that wish to obtain certified true copies (CTCs) of companies' corporate documents at the Corporate Affairs Commission (CAC), in support of applications for Nominal Transfers. The NGX Quick Guide permits an applicant to submit a CTC of the Status Report issued by the CAC, in lieu of the CTC of a company's most recent CAC Form for Return on Allotment of Shares, or CAC Form for Appointment of Directors, or CAC Form for Notice of Change in Particulars of Directors.

The proposed Rule Amendment now makes provision for the "equivalent" of these CAC Forms, which covers the Status Report, thereby synchronizing the Nominal



Transfer Rule with the NGX Quick Guide, which permits the more swiftly obtainable Status Report.

I. Invitation for Comments

NGX Regulation Limited (NGX RegCo) is pleased to invite you to participate in the rule making process. Your participation is required by way of reviewing the proposed Rule Additions and Amendments; and providing your comments on them. The proposed Rule Additions and Amendments may be viewed by clicking on the hyperlinked text provided below:

a) [Proposed Amendment to Rule 15.34: Nominal Transfer.](#)

The Exchange views your participation as important for the following reasons:

- To create public awareness and solicit the public's feedback on the proposed Rule additions / amendments; and
- To improve the quality of the proposed Rule additions / amendments and thereby have a robust, well written set of Rules.

We are involving as many stakeholders as possible in this commentary process in order to achieve the aforementioned goals. Please be assured that your comments will be considered in arriving at the final text of the Rule Additions / Amendments.

II. Response and Timeline

We will be grateful to receive your comments not later than the close of business on **Thursday, 13 July 2023**. Please provide your comments in a **Microsoft Word document** attached to an electronic mail to Mr. Oluwatoyin Adenugba, Head, Rules and Adjudication at NGX RegCo via oadenugba@ngxgroup.com with copy to rad@ngxgroup.com.

III. Approvals

Please note that the draft Rule Additions / Amendments are subject to approvals by the NGX RegCo Board, and the Securities and Exchange Commission.

Oluwatoyin Adenugba
For: **CEO | NGX Regulation Limited**
22 June 2023