

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE (ISSUERS' RULES)

PROPOSED RULES FOR LISTING OF SECURITIES ISSUED BY SPECIAL PURPOSE VEHICLES (SPVs)

Definitions

For the purpose of these Rules, the following definitions shall apply:

- “Asset Backed Securities” or “Securities” refers to certificates, whether written or electronic in character, issued by a special purpose vehicle (SPV), backed by a loan, lease or receivables against assets, the repayment of which shall be derived from the cash flow of the pool of assets in accordance with the terms and conditions of the transaction.
- “Originator” or “Sponsor” means an institution that wholly owns an SPV, and is the owner or seller of the receivables transferred and assigned to an SPV for the purpose of a securitization.
- “Securitization”:
means acquisition of debt or receivables by any SPV from any Sponsor for the purpose of issuance of securitized debt instruments to investors based on the income flow from such debt or receivables and such issuance
- “Servicer” refers to the entity or entities designated by the SPV to collect and record payments received on the pool of assets, to remit such collections to the SPV, and perform such other services as may be required in the Servicing Agreement.
- “Special Purpose Vehicle (SPV)”
Special Purpose Vehicle” (SPV) means a legal entity formed with the exclusive purpose of acquiring and holding certain assets for the sole benefit of noteholders in the asset backed security, such that the noteholders have acquired nothing but undivided interests in the asset pool.
- “Transaction” means the securitization structure as approved by the Securities and Exchange Commission (SEC).
- “Viable Asset” means an asset acquired by the SPV that will on its own enable the SPV or its securities to qualify for a listing pursuant to the listing requirements of The Exchange.

1.0 Introduction

- 1.1 The Rules for Listing of Securities Issued by Special Purpose Vehicles (“SPV Rules”) are designed to be a practical guide to listing of an SPV or Securities issued by an SPV on the Daily Official List of The Nigerian Stock Exchange (“The Exchange”). The Rule will provide Issuers and their advisers with important information about the listing and disclosure requirements.
- 1.2 No approval granted by The Exchange for the listing of Securities issued by an SPV shall be taken as an expression of The Exchange’s opinion or endorsement of that SPV’s viability or standing in relation to others.
- 1.3 The SPV’s directors shall be fully accountable for the veracity of any information provided to The Exchange and the public, as well as the authenticity of any supporting documents.

2.0 Listing Requirements

- 2.1 A Special Purpose Vehicle shall be duly incorporated under applicable Nigerian law, or the applicable law in its home country; and shall be registered with the Securities and Exchange Commission (SEC). The SPV shall comply with all applicable Rules and Regulations of the SEC.
- 2.2 The objects of the SPV as stated in its Memorandum and Articles of Association or Constitution shall be limited to matters relating to the transaction and shall only carry out activities related to or ancillary to the transaction regardless of its legal form.
- 2.3 An application for listing of securities issued by an SPV shall comply with the eligibility criteria for the asset class for which listing is sought on The Exchange.
- 2.4 Where the assets to be acquired by the SPV are owned by the Sponsor, the transferred assets shall be in the custody of the applicant SPV at the time of filing the listing application.
- 2.5 The Offer Documents for the Listing of the Securities issued by the SPV shall in addition to complying with the requirements of these Rules contain the information required in the SEC Securitization Rules.
- 2.6 Such other conditions that The Exchange may prescribe from time to time.

3.0 Continuing Obligations

- 3.1 The SPV shall comply with all applicable laws, rules and regulations in Nigeria as well as relevant laws of its place of incorporation.
- 3.2 The SPV shall comply with The Exchange's continuing listing obligations as specified under the class of assets for which its securities are listed.
- 3.3 No changes to the Memorandum and Articles of Association of the SPV, its shareholding structure, place of business, or change of name shall be effected without prior notification of The Exchange. Such notification shall be delivered to The Exchange not later than fourteen (14) calendar days prior to the proposed change.
- 3.4 The SPV shall immediately notify The Exchange of its intention to issue any new securitized debt instruments.
- 3.5 The SPV shall remain listed till the maturity or repayment of the securitized debt instruments or till the same is delisted pursuant to the delisting procedures laid down by The Exchange.

4.0: The Servicer

The Servicer shall be an entity registered with the SEC, with the requisite skill and knowledge to carry out the services required by the SPV. The Servicer shall collect and keep records of payments received on the asset, remit such collections to the SPV, and perform such other duties pursuant to the terms and conditions of the Servicing Agreement entered into with the SPV.

5.0 Relationship Between the Servicer and the SPV

The Servicer shall exist and operate independently of the SPV, and shall not share any common ownership, officers, or directors with the SPV.

6.0: Exemption

The Exchange may grant exemptions to the application of these Rules, as it may deem necessary. The Exchange shall within five (5) days notify The Commission of any such exemption granted.

7.0. Fees

The SPV shall be required to pay all applicable listing fees, as determined from time to time by The Exchange, in respect of Securities issued by the SPV.

8.0 Termination of the Transaction for Which the Special Purpose Vehicle Was Set Up

The transaction for which the Special Purpose Vehicle was set up shall be terminated if-

- (a) it has not received the transfer of assets nor issued asset-backed securities for sale to investors under the transaction within six (6) months from the date on which the Scheme was approved unless extended by the SEC;
- (b) it has paid in full the debts owed to investors who have invested in the asset backed securities issued by it;
- (c) conditions for its dissolution as specified in the transaction occur;
- (d) the SEC finds that the SPV is unable to continue to undertake its business, and the SEC liquidates the SPV in accordance with applicable laws.
- (e) the holders of at least two-thirds ($\frac{2}{3}$) of the total amount of its asset-backed securities still outstanding have resolved to dissolve the Special Purpose Vehicle and the requisite notice has been received by the Commission, and The Exchange.

9.0 Sanctions

Any SPV that breaches any of the Post Listing Rules shall be subject to sanctions, including but not limited to fines, suspension from trading and delisting of its listed securities as prescribed in the Issuers' Rules of The Exchange.