



**RULEBOOK OF THE NIGERIAN STOCK EXCHANGE**

**(ISSUERS' RULES)**

**CROSS BORDER LISTING RULES<sup>1</sup>**

**Definitions**

Unless the context otherwise requires, the following meanings shall apply –

**Accredited applicant** means an applicant Issuer whose securities have been listed and traded on an accredited primary listing exchange for at least eighteen (18) months prior to its application for its securities' admission for listing on a board of The Exchange.

**Accredited exchange** means a securities exchange accredited by The Exchange for purposes of the fast-track listing process. This includes exchanges that are recognized by The Exchange, in its sole discretion, and which may be members of the World Federation of Exchanges.

**Domestic Issuer** means any entity, any class of whose securities has been registered by the SEC and admitted for listing by a recognized securities exchange.

**Fast-track listing** refers to a path to a secondary listing on The Exchange that involves no capital raise, through which an eligible, well-prepared issuer is permitted to provide reduced regulatory statements and filings to The Exchange in support of its listing application, and enables such issuers to obtain a review and approval by The Exchange within fixed time parameters.

**Foreign Issuer** means any entity or organization incorporated or organized under the laws of a foreign country.

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**<sup>1</sup> Rule Making History**

1. The draft Rules were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 10 November 2017, and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 17 November to 18 December 2017;
3. The RAC considered the draft Rules, and stakeholders' comments thereon at its Meeting of 28 February 2018, and approved the draft Rules for submission to the National Council of The Exchange (Council);
4. The Council approved the draft Rules at its Meeting of 28 March 2018 for submission to the Securities and Exchange Commission (SEC);
5. The SEC approved the Rules on 5 December 2018.

- Primary listing** means in relation to a security listed on more than one securities exchange, the first and main listing of that security on a securities exchange, which subjects the Issuer to the full requirements applicable to a listing on that securities exchange.
- Primary listing exchange** means the securities exchange of an entity’s primary listing.
- Secondary listing** means in relation to securities already listed on a primary listing exchange, the subsequent listing of those securities on other securities exchanges, whereby the Issuer is not subjected to the full requirements applicable to listing on the other securities exchange(s) at which it seeks a subsequent listing.
- Secondary listing exchange** means the securities exchange of an entity’s secondary listing.
- Securities** “Securities” is as defined in the Investments and Securities Act, as amended from time to time.
- The Exchange** means The Nigerian Stock Exchange.
- Waiver** means any relief from non-compliance with the rules or listing requirements of a securities exchange, or its voluntary decision not to enforce all or part of its rules.

## **1.0 General Requirements for Foreign Issuers**

In addition to the General Requirements contained in the Rulebook of The Exchange, and as may from time to time be stipulated by The Exchange, the following requirements shall apply to all foreign Issuers or applicants seeking a listing on The Exchange:

- 1.1 A foreign Issuer may decide, subject to being classified in terms of the Listings Requirements as a primary or secondary listing, where it intends to have its primary or secondary listing or listings.
- 1.2 The Exchange may in its sole discretion require an applicant to obtain and provide a legal opinion to it as to whether the foreign issuer is obliged to register its business in Nigeria, prior to The Exchange’s consideration of its application for listing.
- 1.3 A foreign Issuer seeking listing on The Exchange shall be duly incorporated and validly established according to the relevant laws of its place of incorporation.

- 1.4 The jurisdiction of the foreign issuer's incorporation must be subject to company laws and other laws and regulations, which have standards at least equivalent to those in Nigeria, particularly with respect to corporate governance.
- 1.5 Where the jurisdiction in which the applicant is incorporated does not require standards of corporate governance, that are at least equivalent to those required in Nigeria, but it is possible to adopt and comply with those standards by means of varying the applicant's constituent documents or memorandum and articles of association, The Exchange may approve the listing of the applicant, subject to the applicant making such variations prior to receiving The Exchange's approval.
- 1.6 The securities of the accredited applicant shall be validly issued in accordance with the constituent documents or memorandum and articles of association of the applicant and the relevant laws in force in the country of incorporation of the applicant.
- 1.7 All documents provided by the applicant in accordance with The Exchange's Rules, to its shareholders or to The Exchange, including financial statements, circulars, reports or other documents, which are in a language other than English, shall be accompanied by an English translation, notarized by a Notary in the applicant's country.
- 1.8 The financial statements of the applicant shall be prepared and audited in accordance with the International Financial Reporting Standards (IFRS), or any standards as stipulated by the Financial Reporting Council of Nigeria or such other body with authority to stipulate applicable accounting and auditing standards in Nigeria.
- 1.9 The Issuer shall comply with all The Exchange's listing rules so far as:
  - (a) The information available to it enables it to do so; and
  - (b) Compliance is not contrary to the Law, in the country or state of its incorporation or applicable regulatory establishment; provided that a foreign Issuer shall produce a letter from an independent legal adviser explaining why compliance with any aspect of The Exchange's Rules would be contrary to that law.
- 1.10 Whilst the foreign Issuer's securities are listed on The Exchange, the Issuer shall appoint and maintain, an entity which shall be a body corporate registered in Nigeria and authorised to accept service of documents and notices on its behalf in Nigeria. The Issuer shall notify The Exchange of such appointment, change or termination, provided that, in the event of change or termination, another entity which shall be a body corporate registered in Nigeria shall immediately be appointed within sixty (60)



calendar days and their details provided in writing to The Exchange within fourteen (14) calendar days of appointment. The relevant details shall include:

- (a) the name of the entity appointed, and the entity's address for service of documents and notices;
- (b) if different, the entity's registered and business address;
- (c) the entity's contact persons;
- (d) the entity's business telephone number;
- (e) the entity's e-mail address; and
- (f) any change in the above particulars within fourteen (14) calendar days.

1.11 The Exchange may request additional information from the applicant Issuer, or any other person, in relation to the application for listing.

1.12 Listing fees as stipulated in the Appendix to these rules and as stipulated by The Exchange from time to time shall be applicable to all Issuers.

## **2.0 Primary Listings**

Along with the additional requirements for foreign Issuers listed above, all foreign Issuers seeking a primary listing on The Exchange shall comply in full with all the Listings and Post-listing Requirements applicable to domestic Issuers, for the Board for which listing is being sought.

## **3.0 Secondary Listings**

3.1 An Issuer seeking a secondary listing on The Exchange shall confirm that it has a primary listing on another exchange and that:

- (a) Such other exchange is a member of the World Federation of Exchanges ("WFE") or such other exchange recognized by the NSE; and
- (b) It has a market capitalization of at least ~~₦~~28 billion or its equivalent, as of the date of submission of its application to list on The Exchange.

3.2 In both cases, the primary exchange shall be an accredited exchange as defined in these rules, or a WFE member exchange with standard disclosure rules at least equivalent to those of The Exchange, as determined by The Exchange in its sole discretion.

3.3 Secondary listing status means that once an Issuer is listed, it shall only be required to comply with the ongoing Post-Listing Requirements of the exchange where it has its primary listing, except as may be required by The Exchange.

- 3.4 Notwithstanding the applicability of The Exchange’s general listings requirements to an Issuer’s application for a secondary listing, The Exchange may at its discretion, waive some or all of the requirements as may be applicable to the application.
- 3.5 The Issuer shall provide The Exchange with a copy of its most recent annual reports for three (3) consecutive years, and any subsequent interim report. Provided that the most recent statement at the time of submission of the application is not more than nine (9) months old.
- 3.6 The Issuer shall provide the Exchange with relevant incorporation documents and resolutions supporting its application to list its shares on The Exchange.
- 3.7 Upon submission of its application to The Exchange, the Issuer shall declare in writing, or provide a certificate/statement of compliance from the exchange of its primary listing, that it is in full compliance with such rules referred to above.
- 3.8 Where an Issuer’s application for a secondary listing involves a capital raise/an offering of shares to investors, requisite forecasts or strategic plans, and a prospectus/offer documents in compliance with the requirements of the Commission, and the primary listing exchange, as well as any other documents as may be determined by The Exchange, shall be submitted in support of the application to list.

In relation to the above, The Exchange shall be consulted and the accredited applicant shall confirm that such capital raising shall be carried out in compliance with the requirements of both the Commission and the accredited exchange, as well as any other stipulated requirements of The Exchange.

- 3.9 The Issuer shall inform The Exchange of the waiver of all or part of any applicable listing rules or equivalent requirements of its primary exchange for admission of securities to the official list of The Exchange. Provided that full details of such waiver shall be released to the market by the Issuer via The Exchange’s Issuers’ Portal (X-Issuer) within fourteen (14) days.
- 3.10 Where the primary listing of the securities of the Issuer is not on a securities exchange in its country of incorporation, the Issuer shall declare in writing that the absence of such a listing is not due to any negative circumstances, events or regulatory issues.

- 3.11 If the issuer has a sub-register for quoted securities, it shall establish in Nigeria, a Nigerian securities register (or sub-register); except where the securities are to be registered on a centralised register (i.e., the securities are fungible).
- 3.12 An Issuer of equity securities shall have at least three hundred (300) shareholders; and to satisfy The Exchange’s free float requirements, the issuer shall ensure that at least ten per cent (10%) of the entire class of equity securities it is applying to list on The Exchange is held by the public (in line with the listing standards of The Exchange).
- 3.13 The Exchange may consider and approve a lower free float threshold if the Issuer’s market capitalization at time of its listing is up to Two Hundred billion Naira (~~₦~~200,000,000,000) or such amount as may be stipulated by The Exchange in its sole discretion, from time to time.
- 3.14 An Issuer shall pay listing fees as in such sums and at such intervals as may be prescribed by The Exchange from time to time.
- 3.15 The foregoing provisions shall apply as far as possible to applications for dual listings; and as may be defined by The Exchange from time to time, at its sole discretion.

#### **4.0 Continuing Obligations for Primary Listings**

Foreign Issuers with a primary listing on The Exchange shall comply with the same continuing or post-listing obligations applicable to domestic Issuers.

#### **5.0 Continuing Obligations for Secondary Listings**

Foreign Issuers with a secondary listing on The Exchange shall comply with the post-listing requirements of the primary listing exchange, or as otherwise approved by The Exchange, with the following additional requirements:

- 5.1 Whenever the Issuer wishes to release any information that is to be made public on/through its primary exchange, it shall ensure that such information is also simultaneously provided to The Exchange through The Exchange’s Issuers’ Portal.
- 5.2 The Issuer shall continue to comply with the listing rules (or their equivalent) of its primary listing exchange, or such rules as approved by The Exchange. On or before the submission of its annual report to The Exchange each year, the Issuer shall submit to The Exchange through The Exchange’s Issuer’s Portal for release to the market, a statement that the Issuer continues to comply with those rules.

- 5.3 The Issuer shall promptly inform The Exchange if it is granted a waiver of all or part of any listing rule (or the equivalent) of its primary listing exchange, and release details of any such waiver to the market.
- 5.4 The Issuer shall immediately it becomes aware of a trading halt or impending trading halt in its securities or class of securities on its primary listing exchange, notify The Exchange that trading in its securities or the class of securities is halted on its primary listing exchange. The Issuer's notification shall be supported with a written explanation and sufficient requisite disclosure to The Exchange of the reasons for the trading halt, and the duration of the halt.
- 5.5 The Issuer shall immediately after the suspension in trading of its securities on its primary listing exchange, request a suspension from quotation of its securities or any class of its securities listed on The Exchange, where trading in those securities or that class is suspended on its primary listing exchange. The Issuer's request shall be supported with, a written explanation and sufficient requisite disclosure to The Exchange of the reasons for the suspension.
- 5.6 All Issuers shall provide The Exchange with their yearly calendar for corporate actions and disclosures in conformity with the practices on their primary listing exchange. Issuers shall ensure that The Exchange is notified in advance in order to ensure that The Exchange can accommodate the processing of these corporate actions for shareholders on the Nigerian registers of their members.
- 5.7 The Issuer shall advise its shareholders, by releasing an announcement to the market, immediately, each time its listing compliance status is changed.

## **6.0 Fast Track Listing Requirements**

Fast track listing is offered alongside the standard listing process for Issuers seeking listing on The Exchange. It allows well-prepared Issuers with a primary listing, and in good standing, on accredited exchanges to obtain a listing assessment review by The Exchange within five (5) business days.

Provided that an accredited applicant shall comply with all post-listing requirements that apply to foreign Issuers with a secondary listing on The Exchange.

- 6.1 The company's senior management and board of directors shall be ready to make themselves available to communicate with The Exchange within twenty-four (24) hours, for clarifications where necessary.

- 6.2 An accredited applicant may apply for a secondary listing via the fast track listing process on the board of The Exchange on which it seeks to be listed.
- 6.3 An accredited applicant shall appoint a sponsor, acceptable to The Exchange, who shall be a Dealing Member of The Exchange, to provide professional guidance to the applicant with regard to ensuring that the necessary preparation and requisite due diligence have been undertaken prior to submitting the application for listing.
- 6.5 An accredited applicant shall submit its signed application for listing to The Exchange, through its sponsor, and the application shall be supported with the following documents:
- (a) the latest audited financial statements, which shall not be more than nine (9) months old; and shall be prepared in accordance with the International Financial Reporting Standards (IFRS);
  - (b) interim results shall be submitted where more than nine (9) months have elapsed since the last financial year-end.
- 6.6 The accredited applicant shall publish a pre-listing announcement, as approved by The Exchange, at least five (5) business days before the date of listing.
- 6.7 If there are any changes to the information provided in the pre-listing announcement prior to the date of listing, the applicant shall inform The Exchange immediately by supplying details of such changes.
- 6.8 Where, in the opinion of The Exchange, such changes referred to above result in the information being significantly different from that provided in the pre-listing announcement, The Exchange may delay the listing.
- 6.9 In the event that the listing is delayed by The Exchange due to such changes referred to above, the Issuer shall immediately release a detailed announcement, disclosing the reasons for the changes.
- 6.10 The pre-listing announcement released by an accredited applicant seeking fast-track listing shall contain:
- (a) the name and address of its registered office in Nigeria (if a foreign company);
  - (b) the name and address of its appointed agent in Nigeria (if not registered);
  - (c) the date and country of its incorporation;
  - (d) the accredited exchange, the board on which its securities are listed and date of admittance, as well as details on such other exchanges that the securities of the



- accredited applicant are listed;
- (e) confirmation that the accredited applicant is in full compliance with the legal and regulatory requirements of its primary listing exchange;
  - (f) the Board on which listing is sought on The Exchange and the reasons for seeking a secondary listing on The Exchange;
  - (g) listing date and timetable;
  - (h) the number and class of securities which the accredited applicant is applying to list;
  - (i) the market capitalisation on date of application;
  - (j) the full names and functions of the board of directors;
  - (k) details of the business of the accredited exchange (including its main country of operation) and its intended strategy following the date of listing;
  - (l) the name of any shareholder other than a director, that directly or indirectly, is beneficially interested in 5% or more of a class of securities issued by the accredited applicant, together with the amount of such shareholder's interest, as far as is known to the accredited applicant;
  - (m) the website address of the accredited applicant where financial information and announcements which have been made public are available;
  - (n) a description of any significant change in the financial or trading position of the accredited applicant which has occurred since the end of the last financial period for which audited financial statements have been published;
  - (o) a statement from the directors of the accredited applicant that the business is a going concern;
  - (p) its financial year end; and
  - (q) any other information as may be required by The Exchange, from time to time.

## **7.0 Currency of Securities to be Listed**

Foreign Issuers may issue securities, to be listed and traded on The Exchange, denominated in the Naira or any freely convertible currency, as specified by The Exchange from time to time. Where applicable, conversions to test eligibility or compliance with Naira denominated listing requirements will be carried out at official foreign currency market rates, as governed by the Central Bank of Nigeria.

## **8.0 In-bound Dual Listing Applications**

Where a foreign Issuer seeks a listing on The Exchange, simultaneously with its listing on another exchange, where the Issuer's securities are currently not listed on any exchange, the

Issuer shall specify which of the exchanges will be identified as the “primary listing exchange”. In such situations, the following shall apply:

- 8.1 Where The Exchange is the primary listing exchange, the Issuer’s application for listing shall satisfy the listing rules of The Exchange, as applicable to domestic Issuers of that same security type, subject to the application of such rules in accordance to its relevance to the status of the applicant, and the nature of the transaction, as well as at the discretion of The Exchange. Applicable primary listing fees shall apply, or as may be otherwise determined by The Exchange.
- 8.2 Where The Exchange is the secondary listing exchange, and the “primary listing exchange” is acceptable to The Exchange in accordance with its secondary listing rules, the Issuer’s application for listing shall satisfy the listing rules of The Exchange as applicable to foreign Issuers seeking a secondary listing on The Exchange.
- 8.3 In all cases, where The Exchange is the “secondary listing exchange”, the Issuer shall demonstrate to The Exchange that its application for listing on the “primary listing exchange” has been successful.

## **9.0 Capital Raising By Issuers with a Secondary Listing**

- 9.1 Where an Issuer with a secondary listing of its securities seeks to raise capital in the domestic market, the Issuer shall be required to satisfy the applicable primary listing exchange’s rules for that security type
- 9.2 The Exchange, may at its sole discretion, choose to modify any of its requirements with regard to content and format of the prospectus or listing documents, as well as other documentary requirements as it may determine to be relevant to the Issuer’s application.

## **10.0 Cross Border Regulatory Agreement**

The primary and secondary listing exchanges shall enter into a cross border regulatory agreement or memorandum of understanding for the sharing of information on regulatory actions relating to Issuers that have a primary or secondary listing on their respective exchanges.

## APPENDIX

### **1. Initial Listing or Application Fees**

- a. **Primary Listing:** For foreign Issuers seeking a primary listing on The Exchange, equivalent initial listing fees applicable to domestic Issuers shall apply, subject to extant fee caps.
- b. **Secondary Listing:** For foreign Issuers seeking a secondary listing on The Exchange, the lower of seventy five per cent (75%) of The Exchange's primary market initial listing fees applicable to domestic Issuers or seventy five per cent (75%) of the applicable initial listing fee chargeable on the primary listing exchange shall apply.

### **2. Annual Listing Fees**

- a. **Primary Listing:** For foreign Issuers with a primary listing on The Exchange, the equivalent of the graduated annual listing fees applicable to domestic Issuers shall apply.
- b. **Secondary Listing:** For foreign Issuers with a secondary listing on The Exchange, same annual listing fees payable on the primary listing exchange shall apply. Where no annual listing fee is payable on the primary listing exchange, The Exchange's annual listing fees shall apply.

### **3. Applicable Currency for Fee Payments**

All fees shall be payable in the currency in which the securities are quoted on The Exchange. Where required by the applicant, currency conversions for equivalent rates shall be carried out at prevailing official exchange rates as provided by the Central Bank of Nigeria.