



**RULEBOOK OF THE NIGERIAN STOCK EXCHANGE**  
**(ISSUERS' RULES)**

**RULES FOR LISTING ON THE GROWTH BOARD OF THE NIGERIAN STOCK EXCHANGE<sup>1</sup>**

**Definitions:**

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

“Entry Segment” is the Growth Board’s platform for listing eligible entities, and financing start-ups, small, and medium enterprises with market capitalization between Fifty Million Naira (~~₦~~50m) and Five Hundred Million Naira (~~₦~~500m).

“High Net-worth Individual” (HNI) means an individual whose aggregate net-worth of investment assets exceeds One Hundred Million Naira (~~₦~~100m) Million; or as defined by the Securities and Exchange Commission (SEC) from time to time.

“Standard Segment” is the Growth Board’s platform for listing eligible entities, and financing medium-size businesses with market capitalization between Five Hundred Million Naira (~~₦~~500m) and Four Billion Naira (~~₦~~4b) or such other amount as may be approved by The Exchange from time to time.

**1.0 Introduction**

1.1 These Rules are to provide a practical guide to admission to listing on the following segments of The Nigerian Stock Exchange’s Growth Board:

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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 15 May 2018, and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders’ comments from 31 May to 2 July 2018;
3. The RAC considered the draft Rules, and stakeholders’ comments thereon at its Meeting of 19 September 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 25 October 2018 for submission to the Securities and Exchange Commission (SEC);
5. The SEC approved the Rules on 6 May 2019.

- (a) Entry Segment, and
- (b) Standard Segment.

- 1.2 The Rules provide Issuers and their advisors with important information about admission, listing standards, disclosure, and notification requirements.
- 1.3 Through the Growth Board, The Exchange aims to provide a platform for greater global visibility for eligible Nigerian entities and foreign companies, which will engender global capital flows.
- 1.4 The approval granted by The Exchange for the listing of an entity's securities on the Growth Board does not indicate any opinion by The Exchange on that Issuer's viability, or veracity of any information provided. The Issuer's directors shall be responsible for the veracity of any information provided to The Exchange as well as the authenticity of any supporting documents.

## **2.0 Eligibility Criteria for Listing on the Entry Segment**

- 2.1 Every Issuer that seeks admission to the Entry Segment shall make a written application to The Exchange and execute the General Undertaking for listing on the Entry Segment.
- 2.2 The National Council of The Exchange (Council) may authorize the listing of an Applicant's Securities on the Entry Segment if the Issuer satisfies each of the following requirements:
  - 2.2.1 Is already listed on the Main Board or Alternative Securities Market (ASeM) Board of The Exchange, or
  - 2.2.2 Is seeking to list on the Entry Segment; and
  - 2.2.3 Is duly incorporated as a public company limited by shares; and
  - 2.2.4 (a) Has been in operation for at least two (2) years, and has
    - (i) audited financials prepared in line with the International Financial Reporting Standards (IFRS); and
    - (ii) grown its revenue by a minimum rate of twenty per-cent (20%) cumulatively in its last (two) 2 years of operations;or
- (b) Is a new business that can provide evidence of investment in it by:

- (i) a core investor or a strong technical partner that has a minimum of two (2) years' operating track record, or
  - (ii) a majority shareholder who is either a High Net Worth individual or is a director of a listed company; and
- 2.2.5 Has a market capitalization that is equal to, or is in excess of Fifty Million Naira (₦50m) on the date The Exchange receives the Issuer's application to list on the Entry Segment; and
- 2.2.6 Has a minimum free float of ten per cent (10%) of its issued share capital; and
- 2.2.7 Has appointed a Designated Adviser or such other relevant professional as may be prescribed by The Exchange from time to time; and
- 2.2.8 Has a minimum of twenty-five (25) shareholders or such other number as may be approved by The Exchange from time to time; and
- 2.2.9 Undertakes to ensure that its promoters or directors retain a minimum of fifty percent (50%) of their shares in the Issuer for a minimum period of twelve (12) months from date of its listing, and that they do not directly or indirectly sell or offer to sell such securities during that period; and.
- 2.2.10 Any additional clarification or information that The Exchange may request from the applicant; which the applicant shall provide to The Exchange within such time frame as stipulated by The Exchange. In the event that the applicant fails to provide such clarification or information within the period required by The Exchange, such failure may result in the application being denied.
- 2.2.11 Notwithstanding that an applicant has met the listing requirements, The Exchange may deny an application for listing on the Entry Segment if it is of the view that the applicant's securities are not suitable for listing on The Exchange.

### **3.0 Eligibility Criteria for Listing on the Standard Segment**

- 3.1 Every Issuer that seeks admittance to the Standard Segment shall make a written request to The Exchange and execute the General Undertaking for listing on the Growth Board.
- 3.2 Council may authorize the listing of an Issuer's Securities on the Standard Segment if the Issuer satisfies each of the following requirements:

- 3.2.1 Is already listed on the Main Board or Alternative Securities Market (ASeM) Board of The Exchange, or is seeking to list on the Standard Segment; and
- 3.2.2 Is duly incorporated as a public company limited by shares; and
- 3.2.3 (a) Has been in operations for at least two (2) years and has:  
(i) audited financials prepared in line with the International Financial Reporting Standards (IFRS); and  
(ii) grown its revenue by a minimum rate of twenty per-cent (20%) cumulatively in its last two (2) years of operations;  
or  
(b) Is a new business that can provide evidence of:  
(i) a core investor or a strong technical partner who has a minimum of four (4) years' operating track record, or  
(ii) a majority shareholder who is a High Net Worth individual; and
- 3.2.4 Achieves a market capitalization that is equal to, or in excess of Five Hundred Million Naira (~~₦~~500m) on the date The Exchange receives the Issuer's application to list on the Growth Board; and
- 3.2.5 Has a minimum free float of fifteen percent (15%) of its issued share capital; and
- 3.2.6 Has appointed a Designated Adviser or such relevant professional as The Exchange may prescribe from time to time; and
- 3.2.7 Has a minimum of fifty-one (51) shareholders or such number as The Exchange deems appropriate in the circumstances; and
- 3.2.8 Undertakes to ensure that its promoters or directors retain a minimum of fifty percent (50%) of their shares in the Issuer for a minimum period of twelve (12) months from date of listing, and that they do not directly or indirectly sell or offer to sell such securities during that period.
- 3.2.9 Any additional information that The Exchange may request from the applicant; which the applicant shall provide to The Exchange within such time frame as stipulated by The Exchange.

3.2.10 Notwithstanding that an applicant has met the listing requirements, The Exchange may deny an application for listing on the Standard Segment if it is of the view that the applicant's securities are not suitable for listing on The Exchange.

#### **4.0 Eligibility to Remain on the Growth Board (Entry and Standard Segments) and Continuing Obligations**

4.1 To remain on the Growth Board's Entry and Standard Segments, an Issuer's continued eligibility shall be evaluated by The Exchange annually in line with all the criteria set out in these Rules as amended from time to time, provided that each Issuer shall comply with all other continuing listing obligations as specified under the Listings Rules of The Exchange, including but not limited to submission of quarterly and annual financial statements.

4.2 The Exchange may in its discretion grant an extension of time for an Issuer to comply with the relevant free float requirements set out in these rules; provided that the Issuer submits a formal and substantiated request in that regard setting out the reasons why it could not meet the said requirements and how it proposes to satisfy the requirements within the time granted.

4.3 Any discretion exercised in favour of an Issuer with respect to free float deficiency shall be made public by The Exchange.

#### **5.0 Filing of Financial Returns and Treatment of Default Filing**

##### **5.1 Financial Disclosure - Filing of Periodic Financial Statements**

5.1.1 Every Issuer shall file with The Exchange its unaudited or audited quarterly accounts as approved by its Board of Directors.

5.1.2 Every Issuer shall file its unaudited quarterly accounts not later than thirty (30) calendar days after the end of the relevant financial period and publish/post it within five (5) business days after the date of filing on the Issuer's website. An electronic copy of the publication shall be filed with The Exchange within two (2) business days of posting on the company's website.

5.1.3 An Issuer that chooses, in addition, to audit its half year accounts shall:

- (a) notify The Exchange at least fifteen (15) calendar days before the filing due date of its intention to audit its half year accounts, and issue an announcement via The Exchange's Issuers' Portal of the audit;



- (b) file such accounts not later than sixty (60) calendar days after the period, and publish it within five (5) business days after the date of filing on the Issuer's website. An electronic copy of the publication shall be filed as an announcement via The Exchange's Issuers' Portal within two (2) business days of posting on the company's website.
- 5.1.4 Audited annual accounts shall be filed with The Exchange not later than ninety (90) calendar days after the relevant year end, and published in at least one (1) national daily newspaper not later than twenty one (21) days before the date of the Annual General Meeting, and posted on the company's website with the web address disclosed in the newspaper publications. An electronic copy of the publications shall be filed with The Exchange within two (2) business days of the publications.
- 5.1.5 Any late submission of accounts shall attract the following fines:
- (a) Five Thousand Naira (~~₦~~5,000) per day for the first ninety (90) calendar days of non-compliance for companies listed on the Entry Segment; and Ten Thousand Naira (~~₦~~10,000) per day for the first ninety (90) calendar days of non-compliance for companies listed on the Growth Board Standard Segment;
  - (b) Ten Thousand Naira (~~₦~~10,000) per day thereafter until the date of submission for companies listed on the Entry Segment. Twenty Thousand Naira (~~₦~~20,000) per day thereafter until the date of submission for companies listed on the Standard Segment.

## **6.0 Treatment of Deficient Filing: Notification and Cure Periods**

### **6.1 Submission of Application for Extension of Time before Due Date**

- 6.1.1 Where an Issuer has a reasonable belief that it will not be able to file its accounts by the relevant due date, the Issuer may before the due date submit an application for an extension of time, supported by compelling reasons and evidence in support of its inability to file its accounts by the due date. The Issuer's application shall be received by The Exchange not later than:
- (a) thirty (30) calendar days before the filing due date for annual accounts; and
  - (b) fourteen (14) calendar days before the filing due date for half year accounts.

The Exchange may in its sole discretion decide whether to grant such extension or not, provided that any extension granted shall not exceed ninety (90) calendar days from the relevant due date (the Cure Period).



6.1.2 Notwithstanding that an Issuer has applied and obtained the approval of The Exchange for extension of time to file the relevant half year or annual accounts before the due date, the Issuer shall be required to issue a press release and post on the Issuers' website disclosing that:

- (a) the relevant accounts will not be filed by the due date; and
- (b) approval has been obtained to file the accounts within a period outside the relevant due date.

6.1.3 In addition to the foregoing, the Issuer's securities' symbol published on any of The Exchange's systems or media shall be annotated with the words, "Missed Regulatory Filing" (MRF) or any other sign to indicate that it has failed to submit its accounts timeously, and such annotation shall remain for as long as the Issuer fails to file its accounts.

## 6.2 Application for Extension of Time after Due Date

6.2.1 Any Issuer that does not apply for extension of time and obtain approval of The Exchange to file its accounts out of time, prior to the deadline for filing its accounts, shall:

- (a) receive a "Filing Deficiency Notification" from The Exchange within two (2) business days after the deadline for filing its half year or annual accounts has passed. The affected Issuer's name shall be published in The Exchange's X-Compliance report as "Missed Regulatory Filing" (MRF) and shall remain published for as long as the Issuer does not file its accounts.
- (b) be required to take all of the following steps within three (3) business days of the date of the Filing Deficiency Notification:
  - (i) Issue a press release and post on the Issuer's website, which shall be indicated in the market bulletin, disclosing the following:
    - (1) that the relevant accounts have not been filed by the due date;
    - (2) a detailed explanation of the reason(s) for the delay; and
    - (3) the anticipated filing date; or its inability to indicate the anticipated filing date, and reasons for the inability to indicate the anticipated filing date.
  - (ii) Apply for an extension of time to file the relevant half year or annual accounts, which period shall not be more than ninety (90) calendar days from the due date for the relevant accounts (the Cure Period) for audited and thirty (30) days for half year accounts.



- 6.2.2 Where the Issuer does not comply fully with the provisions of paragraph 6.2.1 above within five (5) business days of the date of the Filing Deficiency Notification, The Exchange will issue a market bulletin stating that:
- (a) a Filing Deficiency Notification has been issued against the Issuer, and providing details of the deficiency;
  - (b) investors are to trade with caution on the Company's securities in light of the absence of up to date financial information; and
  - (c) The Exchange may take additional steps against the Issuer, including but not limited to suspending trading in its securities should it persist in its failure to file its accounts.

### 6.3 Issuers Subject to Primary Government Regulators

- 6.3.1 Upon application for extension of time by an Issuer that is subject to oversight by specific primary government regulator(s), The Exchange may grant an extension for a period not exceeding ninety (90) calendar days from the due date for the relevant accounts (the Cure Period), and the Issuer shall produce to The Exchange evidence of filing the relevant accounts with such primary government regulator(s) not later than:
- (a) thirty (30) calendar days before the due date of filing its annual accounts;
  - (b) fourteen (14) calendar days before the due date of filing its half year accounts.
- 6.3.2 Penalties for late filing shall not run where the Issuer produces evidence that the accounts were filed with the primary government regulator(s) within the periods stipulated above.
- 6.3.3 The Issuer's securities' symbol published on any of The Exchange's systems or media shall be annotated with the words, "Awaiting Regulatory Approval" (AWR) or any other sign or expression to indicate that the accounts have been filed with a primary government regulator, and such annotation shall remain for as long as the approval is pending.

### 7.0 Failure to File Within Cure Period

- 7.1 If an Issuer fails to file the relevant accounts by the expiration of the Cure Period, The Exchange will:
- (a) send to the Issuer a "Second Filing Deficiency Notification" within two (2) business days after the end of the Cure Period;
  - (b) suspend trading in the Issuer's securities; and
  - (c) notify the Securities and Exchange Commission and the Market within twenty-four (24) hours of the suspension.





- 7.2 Within three (3) business days of receipt of the Second Filing Deficiency Notification and suspension of trading in its securities, the Issuer shall:
- (a) Inform The Exchange in writing of the status of the accounts, and
  - (b) Issue a press release and post on the Issuer's website disclosing the:
    - (i) status of the relevant accounts,
    - (ii) reason for the delay in submission, and
    - (iii) anticipated filing date.

7.3 The suspension of trading in the Issuer's securities shall be lifted upon submission of the relevant accounts provided The Exchange is satisfied that the accounts comply with all applicable rules of The Exchange. The Exchange shall thereafter also announce through the medium by which the public was initially notified of the suspension, that the suspension has been lifted.

## **8.0 Monitoring**

8.1 During the Cure Period and for ninety (90) calendar days thereafter (the Additional Cure Period), The Exchange will monitor the Issuer and the status of its filing, until the accounts are filed. If the Issuer still fails to file its accounts by the expiration of the Additional Cure Period, The Exchange may, in its sole discretion, take further actions it deems appropriate in the circumstances, including but not limited to:

- (a) giving such directives as are deemed appropriate; and
- (b) cautioning securities' holders that the Issuer's listing of securities is under threat of delisting; and
- (c) delisting.

8.2 If in its sole discretion, The Exchange determines that an Additional Cure Period is not appropriate, the Issuer will be delisted.

8.3 Notwithstanding the foregoing, however, The Exchange may in its sole discretion decide:

- (a) not to afford an Issuer any Cure Period or Additional Cure Period, as the case may be, at all, or
- (b) at any time during the Cure Period or Additional Cure Period, to truncate the Cure Period or Additional Cure Period, as the case may be, and immediately commence delisting procedures if The Exchange believes, in its sole discretion, that continued listing and trading of an Issuer's securities on The Exchange is inadvisable or unwarranted in accordance with the Rules of The Exchange.



- 8.4 The Exchange may also commence suspension of trading, and delisting procedures without affording a cure period at all or at any time during the Cure Period or Additional Cure Period if The Exchange believes, in The Exchange's sole discretion, that it is advisable to do so on the basis of an analysis of all relevant factors, including but not limited to:
- (a) whether there are allegations of financial fraud or other illegality in relation to the Issuer's financial reporting;
  - (b) the resignation or termination by the Issuer of its external auditor due to a disagreement arising from any non-compliance with relevant financial reporting standards;
  - (c) any unreasonable or unjustifiable delay in appointing a new external auditor after a prior auditor's resignation or termination;
  - (d) the resignation of members of the Issuer's Audit Committee or other directors as a result of non-compliance with financial reporting standards or any laws relevant to the performance of their official obligations;
  - (e) the resignation or termination of the Chief Executive Officer, Chief Financial Officer or other key senior executives as a result of non-compliance with financial reporting standards or any laws relevant to the performance of their official obligations;
  - (f) any evidence that it may be impossible for the company to cure its filing deficiency within the periods provided under these Rules.
  - (g) any past history of late filing of accounts.

## **9.0 Corporate Actions**

- 9.1 No Issuer shall declare interim or final dividends, or bonuses without first preparing and filing accounts, which shall form the basis of such declaration or action.
- 9.2 No Issuer shall declare bonuses without first preparing and filing audited accounts, which shall form the basis of such declaration or action.
- 9.3 Any Issuer whose Board of Directors declares interim dividends during any financial year, and thereafter records accumulated losses at the end of that financial year shall, if it is discovered that the declaration of dividends was not justified by the availability of profit for distribution, be liable to pay a fine which shall not exceed one hundred percent (100%) of the nominal value of the dividends declared.
- 9.4 Any Issuer that violates this provision shall be liable to pay a fine which shall not exceed one hundred percent (100%) of the nominal value of the dividends or bonuses declared.

## **10.0 Penalties**

### **10.1 Penalties to Run Notwithstanding Remedial Action Taken**

Notwithstanding that an Issuer takes the required steps during the Cure Period or later complies with the provisions of these Rules, any Issuer that defaults in filing its accounts within the stipulated periods shall be liable to pay the applicable penalties stated above, except the affected Issuer had applied for and received from The Exchange, an extension of time to file outside the stipulated periods before the deadline for filing its accounts expired.

- 10.2 An Issuer shall be liable to pay the following penalties for each instance of non-compliance with any directives of The Exchange issued pursuant to these Rules:
- (a) a fine of ten percent (10%) of its annual listing fee; and
  - (b) a fine of Two Thousand, Five Hundred Naira (~~₦~~2,500) for every day an Issuer on the Growth Board Entry Segment remains in default; and a fine of Five Thousand Naira (~~₦~~5,000) for every day an Issuer on Standard Segment remains in default.

## **11.0 General**

### **11.1 Applicability of the Rules**

The provisions of these Rules shall apply to Issuers whose securities are listed on the Entry and Standard Segments of the Growth Board.

### **11.2 Prior Approval for All Publications**

All accounts, circulars and press releases to be published pursuant to these Rules and any other applicable Rules of The Exchange shall require The Exchange's prior approval, and newspaper publications shall cover a minimum space of the quarter of a page per newspaper publication.

## **12.0 Corporate Governance Requirements**

- 12.1 Every Issuer listed on the Growth Board shall comply with the Securities and Exchange Commission's Code of Corporate Governance, or such applicable Codes of Corporate Governance in force, and shall disclose in its annual report a list of the codes of corporate governance to which it is subject.
- 12.2 In the event of non-compliance with any applicable Codes or regulations affecting their governance, Issuers shall be expected without prompting, to disclose in the Directors'

Report of their Annual Report why they are in breach and the steps they are taking to become compliant.

### **13.0 Listing and Annual Fees**

The Exchange shall from time to time exercise its powers to fix and publish applicable annual listing fees, and fees for admitting an Issuer's securities for listing on the Growth Board subject to the approval of the Commission.

### **14.0 Sanctions**

- 14.1 Any breach of these Rules shall be subject to sanctions as specified above.
- 14.2 The Exchange may terminate the Growth Board Listing if the breach which led to the imposition of fines is not remedied within the period stipulated by The Exchange.
- 14.3 The Exchange may disclose the name of the Issuers whose Directors or Majority Shareholders are subject to penalties for breach of any obligation arising from these Listings Rules.