



SHORT SELLING RULES OF THE NIGERIAN STOCK EXCHANGE



Definitions

Short selling: The sale of a security that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller.

Naked short selling: The practice of seeking to profit from an expected fall in the price of an asset by selling shares you do not own without borrowing, or making arrangements to borrow them.

Substantive Provisions

1. A listed security may be sold short at a price below the last sale price.
2. A Dealing Member may not accept a short sale order in any security from another person, or effect a short sale in any equity security for its own account, unless the Dealing Member has borrowed the security, or entered into a *bona-fide* arrangement to borrow the security which will be delivered on the date of delivery.¹
3. Naked short selling is prohibited.
4. All orders for short sale must be marked “short sale.”

¹ As of the date of these rules, the delivery date is T+3.