

Sub Broker Model

Information Guide



Who is a Sub-Broker?

A “Sub-Broker” is any entity registered by the Securities and Exchange Commission (SEC) as a Sub-Broker; and acts on behalf of a Dealing Member as its agent for assisting investors in buying, selling or dealing in securities through such Dealing Member.



What do Sub-Brokers Do?

A Sub-Broker is permitted to engage in the following business activities on behalf of clients through its sponsoring Broker Dealer:

- Purchase of securities;
- Sale of securities; and
- Other services ancillary to (a) and (b).



How to Become a Sub-Broker:

To become a Sub-Broker, the entity must:

- Have in its employment an individual who is an Associate Member of the Chartered Institute of Stockbrokers (CIS);
- Identify and enter into an agreement with a sponsoring Broker Dealer (Dealing Member); and
- Register with the SEC to operate as a Sub-Broker.



Benefits of Registering a Sub-Broker:

- Promotes Financial Inclusion - Enhances the financial inclusion of all investors particularly those based in remote, rural or semi-urban areas;
- Increased firm visibility;
- Increased customer base;
- Increase in Income generation;
- Stronger distribution channels to retail investors;
- Stronger brand awareness; etc.



Benefits of Being a Sub-Broker:

- Reduced cost of doing business;
- Lower regulatory requirements;
- Lower operational and compliance costs;
- Partnership with a reputable sponsoring Broker Dealer;
- Access to good infrastructure support;
- Opportunities to access all the services rendered by the Sponsoring Broker Dealer;
- Access to full back-office support; etc.

The Stock Exchange House
2-4 Customs Street, Marina, Lagos Island
Lagos State, Nigeria

01-4638999-5; 0700 CALL NSE
contactcenter@nse.com.ng
www.nse.com.ng

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Sub-Broker Model

A Path to Self-Empowerment and a Sustainable Future

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Individual Sub-Broker Benefits:

- Job and wealth creation opportunities;
- Self-Employment benefits – Independence and ability to generate unlimited income;
- Low regulatory/registration costs;
- Association with a reputable Sponsoring Broker Dealer; etc.



Corporate Sub-Broker Benefits:

- Reduced cost of doing business;
- Lower regulatory requirements;
- Lower operational and compliance costs;
- Partnership with a reputable Sponsoring Broker Dealer;
- Access to the Nigerian Capital Market; etc.

Start by visiting: <https://sec.gov.ng/check-lists/requirements-for-registration-as-sub-broker/>
For more details, please see the FAQs on the Sub-Broker model.

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