



**HIGHLIGHTS OF THE AMENDMENTS
TO DEALING MEMBERS' RULES
(PART XIII B) BY
THE NIGERIAN STOCK EXCHANGE**

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INTRODUCTION

The Rulebook of the Nigerian Stock Exchange, 2015 (“the Rulebook”) is a compilation of all the Rules, Regulations and Guidelines of the Nigerian Stock Exchange (“the Exchange”). The Exchange upon approval by the Securities and Exchange Commission (“SEC”) publishes from time to time amendments to the Rulebook in order to ensure that the body of rules that guide the Exchange meet changing regulatory and market driven imperatives. Amendments to the Dealing Members’ Rules (Part XIII B) (“the Amendments”) were made recently and they became effective on 8 April 2020.

This write-up highlights the changes brought about by the Amendments.



RULE 6.15: NOTIFICATION OF BUSINESS ADDRESS AND CLOSURE OF OFFICE

Previously, dealing members had to notify the Secretary of the Council of the Exchange about any office in Nigeria they intended to carry on stockbroking business in. They also had to give Notice to the Secretary within fourteen days of closing such office or business and publish information about the closure in at least two national daily newspapers. The new Rules provide that notice of closure or relocation of offices shall be given at least one month before such closure or relocation. This change will ensure that the Exchange is aware before any closure or relocation takes place unlike previously when the Exchange was to be informed after the fact. The Amendments also recognise that the information should be shared with clients through more direct means of communication.

Instead of publishing information regarding closure of offices in just in two newspapers, dealing members are now required, at a minimum, to publish in one newspaper and also notify their clients by posting the information on their websites and communicating via phone calls, text messages, letters and electronic mail.



RULE 5.1: ACQUISITION OF A DEALING MEMBER LICENSE

A company that wishes to acquire one hundred per-cent holding in a dealing member firm has to apply to the Exchange for approval. The Exchange grants an Approval-In-Principle (“AIP”) to successful applicants. Previously, the acquiring company had to apply for a pre-certification inspection any time after three months of being issued an AIP. The Amendments now provide that the pre-certification inspection should be requested for within six months of being issued an AIP.

Therefore, with the Amendments, the acquiring company can now request for a pre-certification inspection as soon as it is granted an AIP and not later than six months thereafter. The time frame for requesting pre-certification inspection has now been clearly defined.

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