

**NOTIFICATION OF AMENDMENTS TO THE RULEBOOK OF THE EXCHANGE
(ISSUERS' RULES)
& INVITATION FOR COMMENTS**

I. Introduction

The Exchange is proposing amendments to the Rulebook of The Exchange ("Rulebook") (Issuers' Rules), by introducing amendments to the following the Issuers' Rules:

- (a) Amendments to Information Disclosure Rules;
- (b) Amendments to Issuers' Portal Rules;
- (c) Amendments to Board and General Meetings Rules;
- (d) Amendments to Premium Board Rules.

The Exchange is also proposing the following additions to the Issuers' Rules:

- (a) Draft Rules for Listing of Commercial Papers on The Exchange;
- (b) Proposed Cross Border Listing Rules.

II. Summary of the Proposed Amendments and Additions

- (a) **Amendments to the Information Disclosure Rules:** The Exchange is proposing amendments to Chapter 17 of the Issuers' Rules with respect to information disclosure and reporting to The Exchange. The rules are being amended to provide clarity and further explanation on what The Exchange will consider as "price sensitive information", as well as the requirements for reporting of price sensitive information to The Exchange.
- (b) **Amendments to the Issuers' Portal Rules:** The Exchange is proposing an amendment to:
 - (i) Rule 18.3: Accounting Standard, to include the word "rules", to clearly indicate that periodic and structured disclosures filed through the Issuers' Portal shall comply with standards as well as the rules of the Financial Reporting Council of Nigeria.
 - (ii) Rule 18:10: Sanctions for Breach of the Issuers' Portal Rules, is also being amended to include Rule 18.3 amongst rules for which a breach will attract sanctions, as well as a review of the sanctions to include mandatory regulatory training with The Exchange in the event of breach.
- (c) **Amendments to the Board and General Meetings Rules:** The Exchange is proposing an amendment to Rule 19.2, to include a requirement for Issuers to notify The Exchange within twenty-four (24) hours of receipt of required approvals from their primary regulators on any "price sensitive information". Also, an amendment is being

made to include a notification in writing to The Exchange of the date and time of Issuers' Boards of Directors' Meetings where "interim or audited financials will be considered", or "any price sensitive information will be discussed at least seven (7) business days in advance", as against the fourteen (14) days currently in the Rule.

- (d) **Amendments to the Premium Board Rules:** The Exchange in its continued effort to reposition itself as the preferred destination for Issuers of securities in Africa launched its Premium Board on 25 August 2015. The Exchange's Rules for Listing on the Premium Board ("Premium Board Rule") was approved by the Securities and Exchange Commission (SEC) on 15 July 2015 and became effective on 1 August 2015. The proposed amendments to the Premium Board Rules are to address the need for Issuers' compliance with applicable codes of corporate governance in force, and include additional disclosure requirements such as the need for inclusion of the following information: related party transactions and annual corporate events calendar; also added is the need for the Issuers to hold at least annually, a public meeting with analysts and other stakeholders, as well as publication of their sustainability reports.

Presently, one distinguishing factor between the requirement for listing on the Main Board and the Premium Board is that the Issuer must have a minimum market capitalization of N200 billion on the date The Exchange receives the Issuer's application to list on the Premium Board. For greater flexibility in the area of eligibility requirements to be met by Issuers, additional financial and liquidity criteria such as profit, cash flow, market capitalization, and asset, are being introduced.

Finally, provisions which address The Exchange's treatment of non-compliance with the minimum financial requirements are also included.

- (e) **Draft Rules for Listing of Commercial Papers on The Exchange:** The Exchange is proposing the addition of Rules for Listing of Commercial Papers to its Issuers' Rules. The draft Rules include provisions on general requirements for commercial papers; the listing requirements; continuous disclosure obligations; enforcement of the commercial paper listing rules; as well as the commercial paper listing process. The draft Rules also contains a form of general undertaking to be executed by Issuers of commercial papers.
- (f) **Proposed Cross Border Listing Rules:** The Exchange is proposing Cross Border Listing Rules to replace the existing Chapter 10 of the Issuers' Rules on Cross Border Listing. The proposed Rules include provisions on general requirements for foreign Issuers; primary and secondary listings; continuing obligations for primary and secondary

listings; fast track listing requirements; currency of securities to be listed; in-bound dual listing applications; capital raising by Issuers with a secondary listing, etc.

III. Invitation for Comments

The Exchange is pleased to invite you to participate in its rule making process. Your participation is required by way of reviewing the draft Rules and providing your comments thereon. [A set of each of the proposed Rule amendments may be viewed through the link provided here.](#)

The Exchange views your participation as important for the following reasons:

- To create public awareness and solicit the public's feedback on the draft Rules and proposed Rule amendments; and
- To improve the quality of the Rules and thereby have a robust, well written set of Rules.

We are involving as many stakeholders as possible in this rule making process in order to achieve the aforementioned goals. Please be assured that your comments will be considered in arriving at the final text of the Rules.

IV. Response and Timeline

We will be grateful to receive your comments not later than the close of business on Monday, 18 December 2017. Your comments should be set forth in a WORD document attached to an electronic mail to Mr. Oluwatoyin Adenugba, Head, Rules and Interpretation Department of The Exchange at oadenugba@nse.com.ng.

V. Approvals

Please note that the draft Rules are subject to the approval of the National Council of The Exchange, and the Securities and Exchange Commission.



Tinuade T. Awe,
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17 November 2017