



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

I. Introduction

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

- (a) Proposed Amendments to Information Disclosure Rules (Chapter 17); Rules Governing the Use of the Issuers' Portal (Chapter 18); and Rules Relating to Board Meetings and General Meetings of Issuers (Chapter 19); and
- (b) Proposed Amendments to the Rules for Listing for Unit Trusts (Chapter 5) and Contents Of Prospectus/Listing Memorandum For Unit Trusts (Chapter 6).

II. Summary of the Proposed Amendments

- (a) **Proposed Amendments to Chapter 17; Chapter 18; and Chapter 19:** The principal function of The Exchange is to provide a fair, orderly and efficient market for the trading of securities. Every Issuer that is listed on The Exchange is required to provide The Exchange with timely information to enable it efficiently perform its function of maintaining an orderly market, in order to enable it maintain necessary records and to allow it the opportunity to comment as to certain matters when the facts emerge, or so soon thereafter. The information disclosed by an Issuer must not be misleading and must not exclude or omit anything that may influence the substance or meaning of the information presented.

The objective of the proposed Amendments to Chapter 17, Chapter 18 and Chapter 19 of the Issuers' Rules is to provide a holistic framework and enhancing aspects of the Rules which include:

- a. The obligation of the Issuer to disclose price sensitive information to The Exchange on an immediate basis and the requirement to obtain The Exchange's prior approval before publishing such information to the public;
- b. The obligation to notify The Exchange of the date and time of Board Meetings during which price sensitive information is to be discussed;
- c. The ambit of price sensitive information to include restatements of previous financial statements, as well as information that pertains to litigation or disputes with material impact on the Issuer, for example, a winding up petition;
- d. The medium for releasing such information is expected to be The Exchange's Issuers' Portal and the proposed amendments provide for sanctions for breach of the Issuers' Portal Rules;

- e. The inclusion of Rules regarding Directors' Dealings, which impose obligations on the Issuer to notify The Exchange when its directors deal in their own shares; and
 - f. The obligation on Issuers to maintain a record of all evidence in all securities transactions by insiders, for inspection or investigation by The Exchange as may be required.
- (b) **Proposed Amendments to Chapter 5 and Chapter 6:** In line with the vision of The Exchange to be Africa's preferred exchange hub, it has become imperative to review the requirements stipulated in the Issuers' Rules regarding the listing of Units Trusts. The objective of the proposed Amendments to Chapter 5 and Chapter 6 of the Issuers' Rules is to promote a more customer centric structure as can be seen in some of the proposed amendments as follows:
- a. The reduction in the number of documents required by The Exchange for the application for listing of Unit Trusts to align with the requirements of the Securities and Exchange Commission;
 - b. The review of the contents of the Prospectus to be as prescribed by the SEC;
 - c. The review of the contents of the Listing Memorandum with referral to Appendix 1 for ease of reference by stakeholders;
 - d. The review of Appendix 1 to provide a more structured application Form NSE/LRD302C which must be used for filing an application for Listing by Initial Public Offers of Funds on the Daily Official List of The Exchange.

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 proposed Rules and providing your comments thereon. A set of each of the proposed Rules and Rule amendments may be viewed through the links provided here. [Proposed Amendments to Chapter 17; Chapter 18; and Chapter 19](#) | [Proposed Amendments to Chapter 5 and Chapter 6](#)

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

- To create public awareness and solicit the public's feedback on the proposed Rules and 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 later not than the close of business on Thursday, 2 May, 2019. Your comments should be set forth in a WORD document attached to an electronic mail to Mr. Oluwatoyin Adenugba, Head, Rules and Interpretation at 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,
Executive Director, Regulation
2 April 2019