



**PREMIUM**  
**BOARD**

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# The NSE Premium Board FAQs

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## 1. What is the Premium Board?

The Premium Board is the NSE's listing segment for an elite group of issuers that meet the Exchange's most stringent corporate governance and listing standards. The Board is a platform for showcasing companies who are industry leaders in their sectors; adhere to international best practice corporate governance standards, and meet the Exchange's highest standards of capitalization and liquidity. The Premium Board will attract the largest African issuers – a platform for true African Champions.

## 2. What are the specific requirements to be admitted to list on the NSE Premium Board?

To achieve a listing on the Premium Board, the issuer must satisfy the National Council of the Exchange on the following:

- i. The issuer must make a written application to the Exchange requesting to list on the Premium Board
- ii. The issuer must undertake the Corporate Governance Rating System (CGRS) evaluation and achieve a minimum rating of 70%
- iii. The issuer must achieve a market capitalization (where the company is already listed on a listing Board of the Exchange) or have a valuation (where it is a fresh listing) that is equal to or in excess of =N=200 billion on the date the Exchange receives the issuer's application to list on the Premium Board
- iv. The issuer must satisfy either of the following:  
A minimum free float requirement of 20% of its issued share capital; or  
The value of its free float is equal to or above =N=40 billion on the date the Exchange receives the issuers application to list.
- v. The issuer must execute the General Undertaking for listing on the Premium Board

## 3. Are the listing requirements subject to changes?

The current listing requirements are the set eligibility standards at now. However, The Exchange reserves the right to determine the market capitalization and free float requirements and any other requirements for any of its listing Boards, and may do so from time to time.

## 4. What are the continuing listing obligations for companies to remain listed on the Premium Board?

To sustain a Premium Board listing, The Exchange shall evaluate an Issuer's eligibility to remain on the Premium Board, at regular intervals as may be determined by The Exchange. Such evaluation shall be based on stated criteria for achieving a listing on the Premium Board; as well as such additional requirements as may from time to time be prescribed by The Exchange. Provided that each Issuer shall also comply with all other continuing listing obligations as specified under the Listings Rules of The Exchange

## 5. What are the main differences between the Premium Board and MainBoard of the NSE?

The differences between any of the Exchange's listing Boards is simply based on the qualifying

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standards. All listed companies are required to demonstrate and satisfy stringent profitability and corporate governance standards to be admitted to listing. Premium Board listed companies must satisfy the Exchange's highest standards on market capitalization (a minimum of ₹200 billion); free float valuation (a minimum of ₹40 billion) and Corporate Governance standards (a minimum CGRS rating of 70%). Main Board issuers are required to satisfy a minimum market capitalization of ₹4 billion if they are applying on the basis of market capitalization and do not have a pre-defined Corporate Governance rating hurdle rate.

## 6. What are the standards of disclosure for Premium Board Companies?

Premium Board listed companies are currently required to meet the same disclosure standards applicable to other listed companies.

## 7. Can a new issuer qualify directly to list on the Premium Board, without first coming through the Main Board?

Yes, an issuer can be admitted to listing directly on the Premium Board

## 8. What is the Corporate Governance Rating System (CGRS) and what does the evaluation entail?

- The CGRS rating is a key eligibility requirement for the Premium Board. In particular, eligible companies are required to attain a minimum rating of 70% to support their qualification for the Premium Board.

The CGRS assessment was developed by the NSE in conjunction with the Convention on Business Integrity (CBI), and the test is administered independently by the CBI.

	CGRS Elements/Stages	Description	Overall Score (Weighted)
1	Corporate Compliance Assessment	Completion and return of the Self-Assessment tool by listed companies.	50%
2	Fiduciary Awareness Certification Test (FACT)	Completion of e-Learning modules and attempting the FACT by the directors of listed companies.	10%
3	Corporate Integrity Assessment (CIA)	Completion of e-Learning modules and attSplit into 2 main parts: - Surveys (via questionnaire) of 15-20 Staff and 10-20 Suppliers, as well as Structured interviews with Key Institutional Investors & Regulators  Expert Multi-stakeholder Group (EMSG) sits to provide views, advice, recommendations and informed opinions to the Ratings Committee on the CG Practices of Listed Companiesempting the FACT by the directors of listed companies.	40%

## 9. How long does it take to undertake the CGRS test?

The timeframe for the CGRS test is highly dependent on the response and preparedness provided by the company to commence immediate engagement with CBI. Typically, the CGRS process is kick-started by the submission of a formal letter from the MD/CEO of the prospective company indicating its readiness to undertake the assessment.

## 10. Are there advantages/benefits of listing on the premium board?

Yes, there are benefits for achieving a Premium Listing status with the Exchange. Some of these envisaged benefits are:

- Achieve greater global visibility as a top value company on the African continent with adherence to international corporate governance standards (this should enhance the ability to attract global capital flows and further reduce financing costs)
- Enhanced shareholder value via potential increase in company valuation and share liquidity. Global research reveals that premium listed company valuations tend to exceed their industry peers on average between 18% - 22%
- Belong to an elite club of issuers that exemplify adherence to the most stringent listing standards, as well as compliance with continuing listing obligations of the Exchange.
- Eligibility for the company's shares to belong in the NSE Premium Index (the index is exclusive to Premium listed companies. This should also increase visibility and liquidity of the company's shares with added value for the shareholders.)
- Eligibility for the company's shares to belong to the proposed NSE Corporate Governance Index
- The Listing on any major sample-based index like the NSE premium board is regarded as a status symbol, which strengthens corporate image, and confer high credit status.

## 11. Is there a minimum share price set for Premium Board companies?

No. Premium Board companies are required to achieve a minimum market capitalization of =N=200 billion on the date of applying for listing. There is no share price requirement.

## 12. Will a tradable index be created using the premium board companies?

Yes. The NSE Premium Board Index.

## 13. What are the listing fees of the premium board?

The Exchange's listing fees are governed by the current fee structure of the Exchange.

## 14. What if I want to list a number of my businesses from my Company, but they are in different sectors and each qualify for different boards?

Each company is a separate legal entity and is eligible to apply for listing independently.

## 15. Does the premium board cut across all sectors?

Yes. The Exchange currently recognizes twelve sectors. All these can be represented on any of its listing Boards.