

**NOTIFICATION OF ADDITIONS TO THE RULEBOOK OF THE EXCHANGE  
(TRADING LICENSE HOLDERS' RULES)  
AND INVITATION FOR COMMENTS**

**I. Introduction**

Nigerian Exchange Limited ("**The Exchange**") is proposing the following additions to the Rulebook of The Exchange (Trading License Holders' Rules):

- (a) Proposed Additions to Trading License Holders' Rules Chapter 4, Section XX: Disciplinary Procedures

**II. Summary of the Proposed Rule Additions**

**(a) Proposed Additions to Trading License Holders' Rules Chapter 4, Section XX: Disciplinary Procedures:**

The Exchange has a statutory mandate to regulate the Issuers and intermediaries that trade on its Market. This mandate is discharged through different regulatory means such as inspections, supervision and oversight, investigations, surveillance, rulemaking, and where necessary, the imposition of sanctions. Sanctions may be imposed administratively, or as an outcome of adjudication, under The Exchange's disciplinary process. NGX Regulation Limited ("**NGX RegCo**") is the regulatory services provider to NGX, and in that capacity, manages The Exchange's administrative and adjudicatory sanctions regime.

NGX RegCo has received feedback from internal and external stakeholders, on ways to improve The Exchange's disciplinary activities, and has also identified specific aspects that can be improved. These include The Exchange's sanctions universe, most of which are worded strictly, with no room for sanctioning discretion. Meanwhile, experience and precedents show that in disciplinary matters, mitigating circumstances often exist and discretion is frequently needed to make sanctions fairer and proportionate.

Thus, The Exchange proposes an addition to its Rulebook, by the addition of a new provision on the exercise of discretion in imposing sanctions. The goal of this addition is to develop The Exchange's disciplinary process by making the sanctions regime more robust and less rigid. This addition will also pave the way for negotiated sanctions where appropriate, in line with regulatory and adjudicatory best practice.

**III. Invitation for Comments**

NGX RegCo is pleased to invite you to participate in its rulemaking process. Your participation is required by way of reviewing the proposed Rule additions and providing your comments on them. The proposed Rule additions may be viewed by clicking on the hyperlinked text provided below:



[Proposed Additions to Trading License Holders' Rules Chapter 4, Section XX: Disciplinary Procedures.](#)

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

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

We are involving as many stakeholders as possible in this commentary 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 Rule additions.

#### IV. Response and Timeline

We will be grateful to receive your comments not later than the close of business on Thursday, 9 September 2021. Please provide your comments in a **Microsoft Word document** attached to an electronic mail to Mr. Oluwatoyin Adenugba, Head, Rules and Adjudication at NGX RegCo via [oadenugba@ngxgroup.com](mailto:oadenugba@ngxgroup.com), **with copy to rad@ngxgroup.com**.

#### V. Approvals

Please note that the draft Rule additions are subject to approvals by the Securities and Exchange Commission, and the NGX RegCo Board.

A handwritten signature in black ink that reads "T. Awe".

Tinuade T. Awe,  
CEO | NGX Regulation Limited  
19 August 2021