



**CIRCULAR**

**NSE/RD/LRD/CIR2/20/01/15**

15 January 2020

### **Circular on Notification of Share Dealing by Insiders**

The Nigerian Stock Exchange (The Exchange) wishes to draw the attention of Issuers to the requirements of its rules, and the Securities and Exchange Commission's (SEC) rules regarding dealing in shares by Insiders of listed companies.

Please note the definition of an Insider in line with the various provisions:

**(i) Section 315 of the Investments and Securities Act, No. 29, 2007 (ISA), provides that an Insider is:**

*(a) any person who is or is connected with the company in one or more of the following capacities-*

- (i) a director of the company or a related company;*
- (ii) an officer of the company or a related company;*
- (iii) an employer of the company or a related company;*
- (iv) an employee of the company, involved in a professional or business relationship to the company;*
- (v) any shareholder of the company who owns 5 per cent or more of any class of securities or any person who is or can be deemed to have any relationship with the company or member;*
- (vi) members of audit committee of a company; and*

*(b) any of the persons listed in paragraph (a), who by virtue of having been connected with any such person or connected with the company in any other way, possesses unpublished price sensitive information in relation to the securities of the company, and any reference to unpublished price sensitive information in relation to any securities of a company is a reference to information which-*

- (i) relates to specific matters relating or of concern (directly or indirectly) to that company, that is, is not of a general nature relating or of concern to that company;*
- and (ii) is not generally known to those persons who are accustomed to or would be likely to deal in those securities but which would, if it were generally known to them be likely materially to affect the price of those securities*

**(ii) Rule 400(3) of the SEC Consolidated Rules, 2013 provides that an Insider is an individual:**

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- (a) *who is connected with the company during the preceding six (6) months in one of the following capacities:*
- (i) *a director of the company or a related company;*
  - (ii) *an officer of the company or a related company;*
  - (iii) *an employee of the company or related company;*
  - (iv) *a person involved in a professional or business relationship with the company as above;*
  - (v) *a shareholder who owns 5% or more of any class of securities or any person who can be deemed to be an agent of any of the above listed persons; and*
  - (vi) *members of the audit committee*
- (b) *who by virtue of having been connected with the company as mentioned in paragraph (a) of this Rule has obtained unpublished price sensitive information in relation to the securities of the company.*

**(iii) The Rulebook of The Exchange, 2015 (Issuers' Rules) provides that an Insider is an individual:**

- a. *who is connected with the company during the preceding six months in one of the following capacities:*
- (i) *a director of the company or a related company*
  - (ii) *an officer of the company or a related company*
  - (iii) *an employee of the company or a related company*
  - (iv) *a person involved in a professional or business relationship with the company as above*
  - (v) *a shareholder who owns five per-cent (5%) or more of any class of securities or any person who can be deemed to be an agent of any of the above listed persons; and*
  - (vi) *members of the audit committee.*
- b. *who by virtue of having been connected with the company as mentioned in paragraph "a" has obtained unpublished price sensitive information in relation to the securities of the company.*

**Disclosure Requirements for Dealings in Issuers' Shares:**

Rule 17.15(c): Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange, 2015 (Issuers' Rules) provides that *all directors, persons discharging managerial responsibility and persons closely connected to them as well as all insiders of the Issuer shall notify the Issuer in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of the Issuer on the day on which the transaction occurred and the Issuer shall maintain a record of such*





*transactions which shall be provided to The Exchange within two (2) business days of The Exchange making a request in that regard.*

In view of the foregoing, all Issuers are required to do the following:

1. File with The Exchange, details of transactions by Directors and other Insiders from 2 January 2020 to the date of this Circular, i.e., 15 January 2020. The details to be filed with The Exchange are as set forth in the attached Appendix A to this Circular. **This information is required to be filed no later than Friday, 17 January 2020 through the Corporate Action Channel of the Issuers' Portal.**
2. Effective from the date of this Circular, i.e., 15 January 2020, all Issuers are required to file information on Insider transactions subsequent to 15 January 2020 with The Exchange in the format prescribed in Appendix A to this Circular within two (2) business days of such transactions through the Corporate Action Channel of the Issuers' Portal.

For the sake of clarity and by way of example, please note that if an Insider transaction occurs on a Monday, the Issuer is required to file the requisite information no later than Wednesday of the same week. If the Insider transaction occurs on a Friday, the Issuer is required to file the requisite information no later than Tuesday of the following week. If the Insider transaction occurs on a Friday and the Monday is a public holiday, the Issuer is required to file the requisite information no later than Wednesday of the following week.

Should you have any enquiries or seek clarification regarding the above, please do not hesitate to contact the Listings Regulation Department via electronic mail at [listingsregulation@nse.com.ng](mailto:listingsregulation@nse.com.ng)

Please be guided accordingly.

Godstime Iwenekhai  
**Head, Listings Regulation Department**

