

Eurobond Listing, Trading & Settlement

Outline

● Listing

- Offshore Capital Raising with Domestic (local) listing

● Trading & Settlement Scenarios

- Cross-Border Trading & Settlement
- Regular Trading & Settlement

● Cash Settlement & Corporate Action

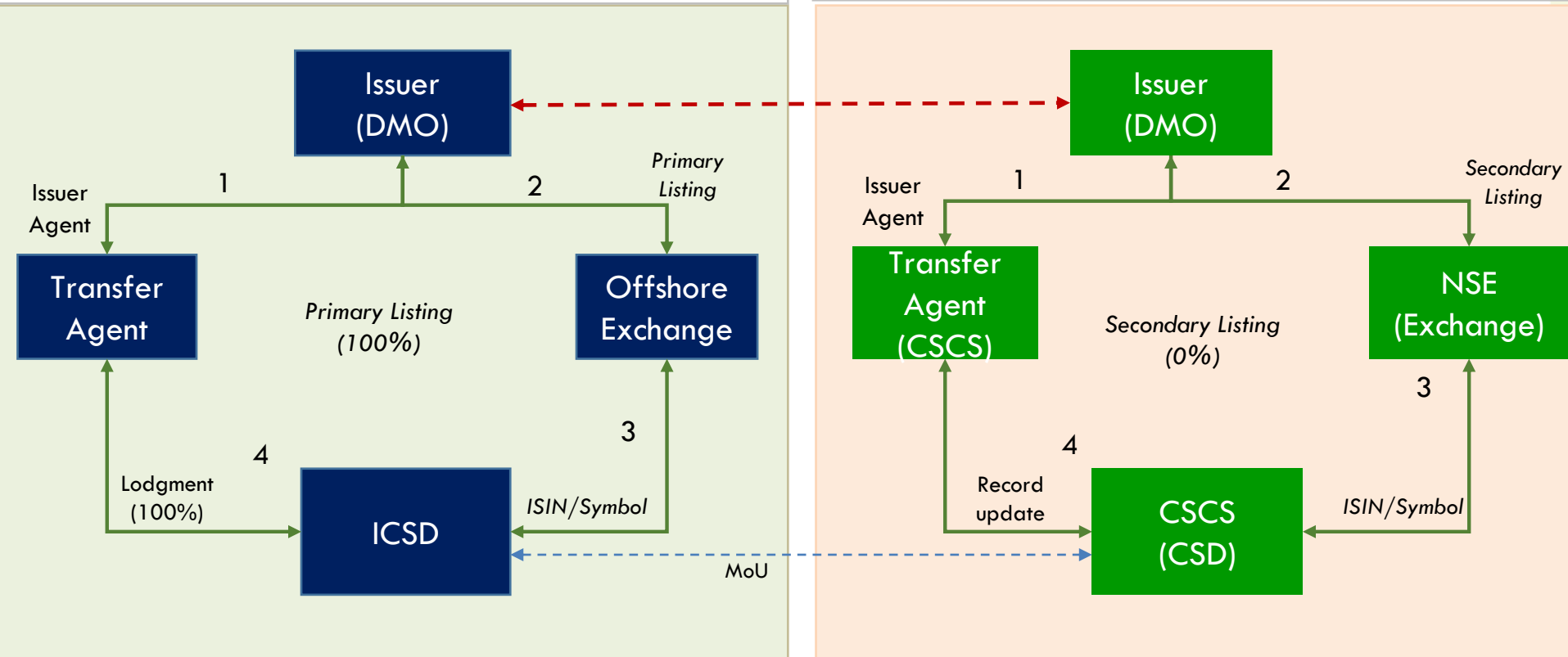
Parties Involved

- Issuer (DMO)
- Issuer Agents
 - Transfer agent (CSCS)
 - Settlement Bank/Paying agent
- The Nigerian Stock Exchange (NSE)
- Depository, Clearing & Settlement System (CSCS)
- Custodians (Foreign & Domestic)
- Dealing members (Broker)
- Trustees

Offshore Capital Raising with Domestic (Local) Secondary listing

OFFSHORE MARKET

DOMESTIC MARKET



Offshore Capital Raising with Domestic (Local) Secondary listing

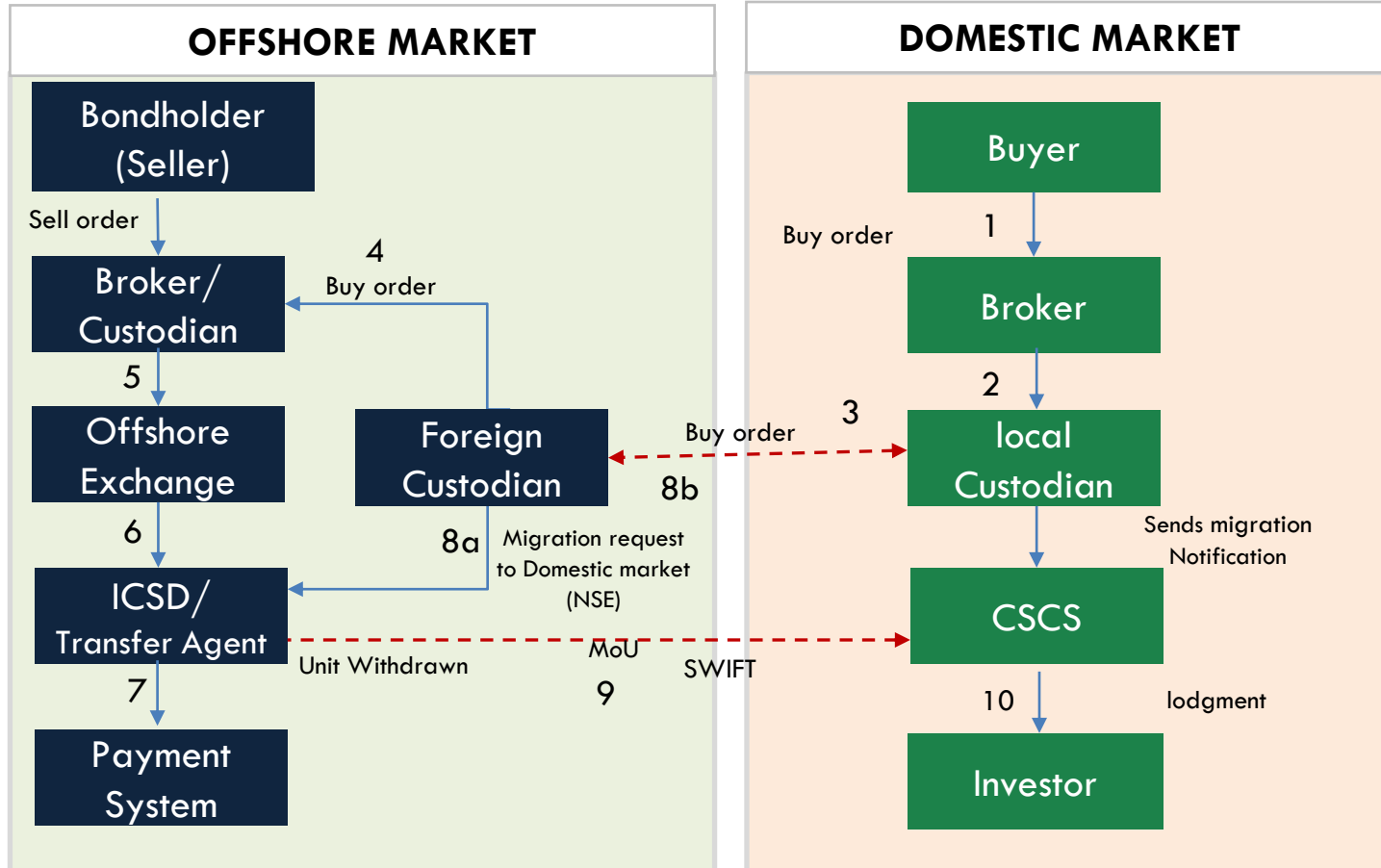
Activity	Description (Domestic Market)
1	<ul style="list-style-type: none"> • Issuer (DMO) appoints Transfer Agent (CSCS) to manage records of bondholders
2	<ul style="list-style-type: none"> • Issuer approaches the NSE for the Secondary listing in accordance with the Exchange's listing requirements
3	<ul style="list-style-type: none"> • The NSE request for Symbol/ISIN codes from CSCS for setup • The NSE sets up the currency on the trading platform/board to accommodate trading on foreign denominated bonds
4	<ul style="list-style-type: none"> • CSCS provides Depository/sub-registry services and • CSCS sets up her application for clearing and settlement of transactions

Trading & Settlement Scenarios:

- ✓ *Cross Border Trades*
 - Seller (Offshore) & Buyer (Domestic)
 - Seller (Domestic) & Buyer (Offshore)

- ✓ *Regular Trades (already existing)*
 - Seller (Domestic) & Buyer (Domestic)

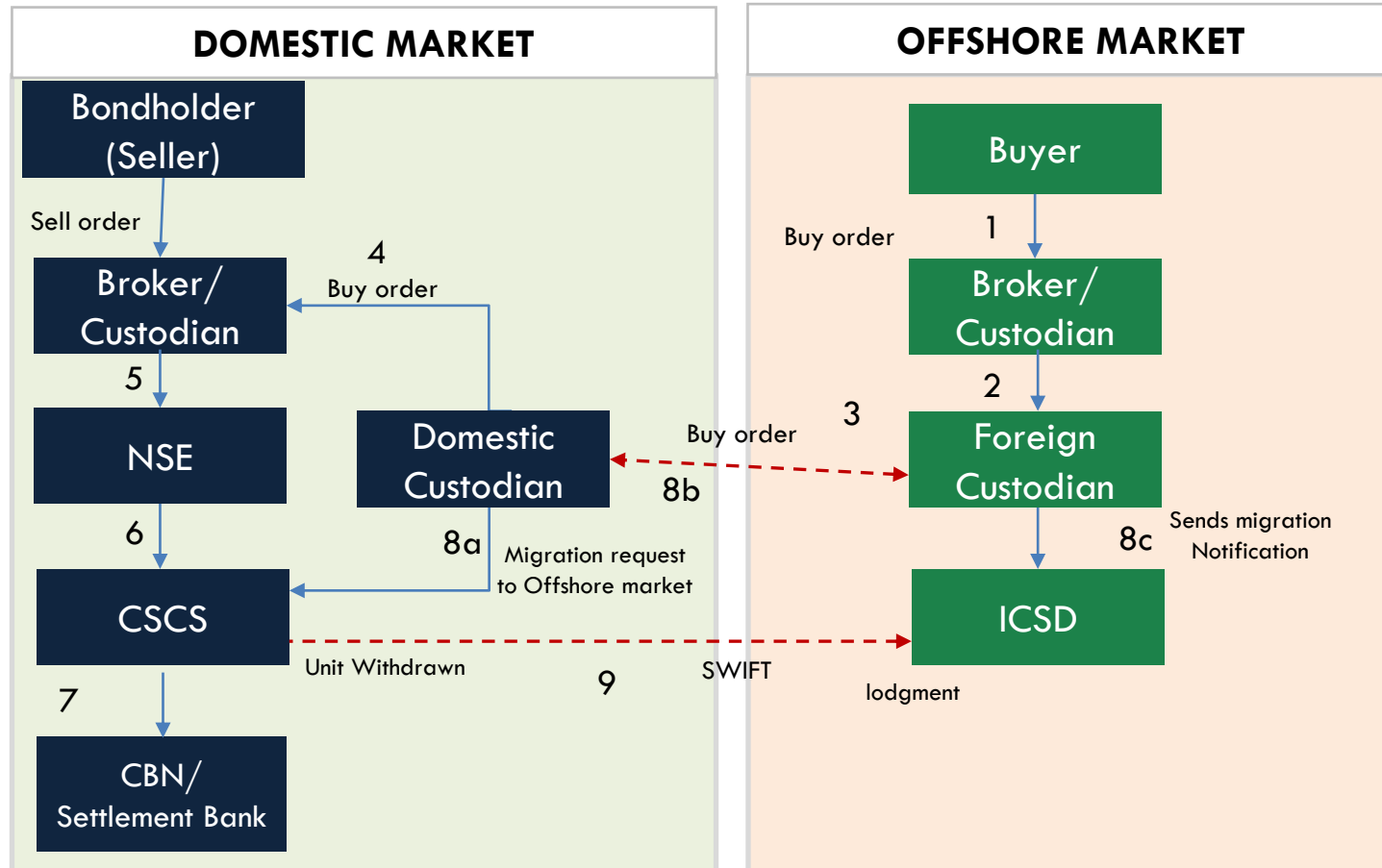
Seller (Offshore) & Buyer (Domestic)



Seller (Offshore) & Buyer (Domestic)

No	Description
1	<ul style="list-style-type: none"> Buyer instructs Domestic Broker (DB) to buy Eurobond Offshore (Buyer may liaise directly with offshore custodian if relationship exist)
2	<ul style="list-style-type: none"> DB notifies Domestic Custodian (DC) of her client's Buy order (Offshore)
3	<ul style="list-style-type: none"> DC instructs Foreign Custodian (FC) to execute her client's Buy order
4	<ul style="list-style-type: none"> FC appoints a Broker (offshore) to Buy clients order at the offshore Exchange
5	<ul style="list-style-type: none"> Offshore Broker executes trade at the offshore Exchange
6	<ul style="list-style-type: none"> Exchange transmits trades to ICSD
7	<ul style="list-style-type: none"> ICSD clears and settles transactions and instruct payment system for cash settlement (DVP)
8	<p>Upon confirmation of settlement:</p> <p>(a&b) FC notifies ICSD & DC of Client's (Buyer) order for migration to Domestic market</p> <p>(c) DC notifies CSCS of the creation of units in buyers account</p>
9	<ul style="list-style-type: none"> ICSD withdraws holdings (unit) from Buyer's account (killing) and Transmit Buyer's holdings to CSCS via SWIFT/any approved communication platform
10	<ul style="list-style-type: none"> Upon confirmation from ICSD, CSCS credits Buyer's account with Bonds (lodgment)

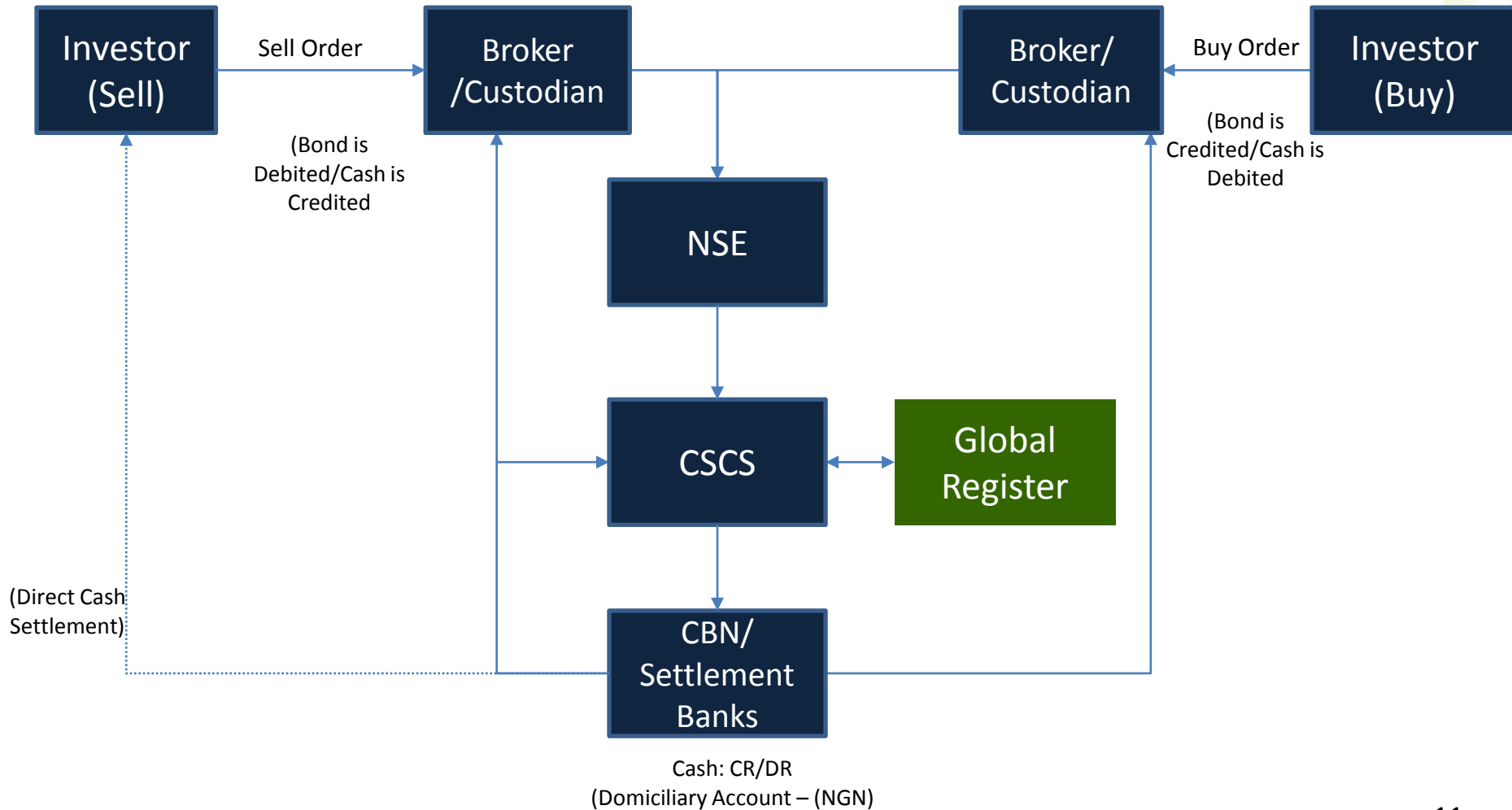
Seller (Domestic) & Buyer (Offshore)



Seller (Domestic) & Buyer (Offshore)

No	Description
1	<ul style="list-style-type: none"> Buyer instructs Foreign Broker (FB) to buy bond in Domestic market (Buyer may liaise directly with Foreign Custodian (FC) depending on the existing market structure)
2	<ul style="list-style-type: none"> Otherwise, FB notifies FC of her client's Buy order in Domestic market
3	<ul style="list-style-type: none"> FC instructs Domestic Custodian (DC) to execute her client's Buy order
4	<ul style="list-style-type: none"> DC appoints a Broker (Domestic) to Buy clients order at the NSE
5	<ul style="list-style-type: none"> Broker executes trade on the NSE
6	<ul style="list-style-type: none"> The NSE transmits trades to CSCS
7	<ul style="list-style-type: none"> CSCS clears and settles transactions and instruct payment system for cash settlement (DVP)
8	<p>Upon confirmation of settlement:</p> <p>(a&b): DC notifies CSCS & FC of Client's (Buyer) order for migration to Offshore market (ICSD)</p> <p>(c): FC notifies ICSD of the creation of units in buyers account at offshore market</p>
9	<ul style="list-style-type: none"> CSCS withdraws holdings (unit) from Buyer's account (killing) and Transmit Buyer's holdings to ICSD via SWIFT/any approved communication platform Upon confirmation from CSCS, ICSD credits Buyer's account with Bonds (lodgment)

Seller (Domestic) & Buyer (Domestic)



Cash Settlement & Coupon Payment

Note:

1. Trading & settlement is in currency of Issuance
2. Dealing members/Investors will be required to open a Domiciliary account (USD) with their Settlement Banks
3. Domiciliary account must be opened with the existing Settlement Bank
4. Clearing and settlement of cash will only be effected on Domiciliary account
5. Issuer appointed agents (Domestic & Offshore) will be responsible for payment of coupon & redemption when due

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