



CIRCULAR

NSE/LARD/BDR/CIR11/15/03/24

24 March, 2015

Circular on Business Combinations for Dealing Member Firms

Dealing Members desirous of undertaking any form of business combination are reminded to note the following requirements:

1. Obtain the approval of The Exchange before commencing the business combination process.
2. Comply with all applicable laws and regulations, including the requirements of the Companies and Allied Matters Act, 1990 (CAMA), the Investments and Securities Act, 2007 (ISA), the Securities and Exchange Commission (SEC) Rules and Regulations (Consolidated 2013).
3. Comply with the Rules and Regulations Governing Dealing Members (Amendments and Additions – Part VI) on Obligations of Parties During Mergers and Acquisitions of Dealing Member Firms which provides that:

“The Exchange shall only consent to the merger of any two or more Dealing Members or the acquisition of one or more Dealing Members by another entity where:

- a) the whole of the undertaking or any part of the undertakings or interest and the property, assets and liabilities of the transferor or target Dealing Member(s) are being transferred to the transferee or acquiring entity; and
- b) The Exchange is satisfied that in order to protect its/their clients, sufficient provision has been made to cover the obligations of the transferor or target Dealing Member(s)”.
 4. Upon completion and final approval of the business combination by the Securities and Exchange Commission, return all licences of the Dealing Members to The Exchange for the issuance of a single license to reflect the business combination.

Please be guided accordingly. For further clarification, please contact the undersigned.

Olufemi Shobanjo
Head, Broker Dealer Regulation