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**CIRCULAR**

NSE/RD/BDR/CIR5/20/03/09

March 9, 2020

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**MINIMUM STANDARD REQUIREMENTS FOR THE NIGERIAN STOCK EXCHANGE'S DEALING CLERKSHIP CERTIFICATION PROGRAM**

Please refer to our Circulars referenced **MAU/MO/01/14/001** dated January 30, 2014, on the 'New Requirements for the Automated Trading System (ATS) mandatory training'; and **NSE/BDR/MUO/02/14** dated February 19, 2014, on 'Minimum Standard Requirements for The NSE Dealing Clerkship Qualification Exam'.

The Nigerian Stock Exchange (The Exchange) notes with concern the high failure rate recorded in the last examinations conducted in November 2019 for admittance of new Authorized Dealing Clerks (ADCs), and would like to underscore the importance of Sponsoring Dealing Member Firms' commitment to training and preparing candidates/trainee ADCs for the Authorized Dealing Clerkship Certification Program.

To ensure that only fit and proper persons obtain the requisite regulatory approval to practice as ADCs on all floors of The Exchange, please be reminded that applicants are expected to satisfy the following requirements:

1. Every candidate/trainee ADC is required to spend a minimum of six (6) months gaining practical on-the-job experience in different departments in a Dealing Member Firm. At the end of the on-the-job training period, the candidate/trainee ADC should be able to demonstrate competence in key functional business areas of a Dealing Member Firm including Sales and Trading, Operations, Research, Risk Management, and Compliance.
2. A training and competence log on all activities carried out by the candidate/trainee ADC should be maintained and monitored by the Chief Compliance Officer of the Sponsoring Dealing Member Firm on a continuous basis, for the duration of the on-the-job training program.
3. Every candidate/trainee ADC is required to undergo an internal mock oral interview with the Senior Management of the Dealing Member Firm, to demonstrate the necessary acquired competence, in preparation for the oral Authorized Dealing Clerkship qualification examination to be administered by The Exchange.
4. Upon the trainee's successful completion of the six (6) months training program, the Dealing Member/Sponsor firm is required to provide a report of the activities alongside a written recommendation affirming the candidate's/trainee ADC's eligibility to attend the oral interview.

**Furthermore, please note that:**

- The certification process for becoming an ADC commences with the Automated Trading System (ATS) Mandatory Training Program, which is prescheduled to hold in April, July, and October annually.

- As part of the application process, Sponsoring Dealing Member Firms are required to sign an **Undertaking** to show commitment in the training of their candidates/trainee ADCs; and ensure that candidates/trainee ADCs receive practical on-the-job training in preparation for The Exchange's Authorized Dealing Clerkship Qualification Oral Examinations.
- Candidates/trainee ADCs that have completed the Chartered Institute of Stockbrokers (CIS) examinations but have **not** spent the required minimum period of six (6) months in full-time employment of a Dealing Member Firm must do so after completing the CIS examinations, before applying for the ATS training.
- Candidates/trainee ADCs who have completed the CIS examinations and have been in the employment of a Dealing Member Firm prior to the completion of the CIS examinations can join any of the ATS Mandatory Training Programs in April, July, or October; provided they have also completed the required minimum period of six (6) months in full-time employment of a Dealing Member Firm.
- Candidates/trainee ADCs who fail the ATS examination and/or the oral Authorized Dealing Clerkship qualification examination are required to repeat the full cycle of the ATS Mandatory Training Program.
- A Candidate/trainee ADC shall be permitted by The Exchange to attend up to a maximum number of three (3) oral Authorized Dealing Clerkship qualification examinations only.

To avoid a repetition of the aforementioned dismal performance rate by candidates/trainee ADCs, it is mandatory that Sponsoring Dealing Member Firms adhere strictly to the requirements of The Exchange's Authorized Dealing Clerkship Certification Program. Sponsoring Dealing Member Firms are also enjoined to demonstrate their full commitment to giving appropriate training to the candidates/trainee ADCs in order to ensure that only fit and proper persons are admitted as Authorized Dealing Clerks.

Please be guided accordingly.



Olufemi Shobanjo  
**Head, Broker Dealer Regulation**