

RULES AND REGULATIONS GOVERNING DEALING MEMBERS
Amendments and Additions (IV)¹

1. New Rule: Supervision of Customer Accounts

- (a) Dealing Members shall maintain written policies and procedures regarding the supervision of customer accounts, including the opening and closing thereof, and all transactions in such accounts for and on behalf of such account holders.
- (b) The policies and procedures described in subsection (a) above shall be reasonably designed to ensure that:
 - (i) the Dealing Member learns the essential facts relative to its customer's request to open or close an account;
 - (ii) the customer has received, or been offered but waived receipt of, all required disclosures concerning the account prior to opening such account;
 - (iii) a customer's instructions with respect to transactions involving the customer's account are carried out in an orderly and efficient manner; and
 - (iv) all transactions and financial commitments entered into by the Dealing Member for or on behalf of customers are undertaken pursuant to a written mandate from such customer(s) or his designated agent and are within the scope of authority of the Dealing Member or the employee acting on behalf of the Dealing Member.
- (c) No person shall approve the opening of accounts except he or she is an approved sponsored individual who is registered with the Commission.
- (d) The person responsible for giving the approval in "c" above shall learn or be informed of and understand the following essential facts relative to the customer and to the nature of the proposed account:

¹ Rule Making History

- 1. The Rules were considered at Rules and Adjudication Committee of Council's (RAC) retreat of 8 and 9 November 2013 and approved for exposure to stakeholders from 13 to 27 November 2013;
- 2. Comments received were reviewed at the RAC meeting of 17 March 2014;
- 3. The revised Rules were approved by the National Council on 27 March 2014;
- 4. The Council approved Rules were submitted to the SEC on 17 April 2014 for approval.
- 5. The SEC approved the Rules on 10 February 2015.



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- (i) the customer's total assets compared to the size of the proposed account where the Dealing Member has been granted discretion over the account;
 - (ii) the customer's trading or financial objectives for the account;
 - (iii) the customer's risk tolerance for trading in the proposed account;
 - (iv) the customer's overall level of investment experience;
 - (v) whether the customer intends to give discretion to the Dealing Member firm over some portion of, or all of the account; and
 - (vi) whether the customer was solicited to open an account or approached the Dealing Member firm on its own.
- (e) Dealing Member firms shall maintain policies and procedures that are reasonably designed to:
- (i) protect and hold in confidence all financial and other information concerning the customer and/or the customer's account;
 - (ii) promptly detect any irregularity, fraud or error in connection with a customer account; and
 - (iii) minimize, so far as is reasonably practicable, the risk of loss to the customer which results from any irregularity, fraud or error in the Dealing Member firm's interactions with, or on behalf of, such customer.

2. New Rule: Prior Written Consents

- (a) Dealing Members shall maintain policies and procedures reasonably designed to ensure that prior approvals are obtained prior to the taking of any action where such consent is required.
- (b) Dealing Members shall make written or other affirmative evidence of such approvals and retain such records for a period of not less than six years.

3. New Rule: Discretion in Customer Accounts

- (a) No Dealing Member, or employee or agent of a Dealing Member, shall exercise any discretionary power in any customer's account, or accept orders for an account from any person other than the customer without first obtaining written authorization of the customer.
- (b) No Dealing Member, or employee or agent of a Dealing Member exercising discretionary power in any customer's account shall effect purchases or sales of securities which are at variance with the objectives of such customer.

4. New Rule: Grants of Discretion (Books and Records)

Dealing Members shall maintain written records of all grants by a customer of discretionary power in such customer's account, and any revocations of such grants of discretionary power by the customer.

5. New Rule: General Ledger Error Accounts

- (1) No Dealing Member shall be permitted to effect transactions using the trading facilities of The Exchange unless such Dealing Member maintains an error account in its general ledger.
- (2) Any transaction effected using The Exchange's trading facilities which results in a Dealing Member assuming or acquiring a position in a security as a result of an error and any transaction initiated on the trading floor by a Dealing Member to offset a transaction made in error shall be cleared in the Dealing Member's general ledger error account or group general ledger error account unless the customer accepts the error transaction. Any transaction initiated on The Exchange's trading facilities by a Dealing Member to offset a transaction made in error shall be duly posted in the general ledger error account.
- (3) A general ledger error account shall be opened by a Dealing Member to register all transactions carried out in error. Records as to all errors shall be maintained by the Dealing Member and such records shall include the following audit trail data elements:
 - a. Name or identifying symbol of the security, as may be required by the clearing agency;
 - b. Number of shares or quantity of security;
 - c. Transaction price;
 - d. Time the trade was executed;
 - e. Executing broker's identity in regard to its side of the contract;
 - f. Nature and amount of the error;
 - g. The aggregate amount of liability that the Dealing Member has incurred and has outstanding, as of the time each such error trade entry was recorded;
 - h. Such other information as The Exchange may from time to time require.
- (4) An error may be resolved by the customer accepting the error transaction as executed or a Dealing Member paying the customer to settle the amount of the error (a "difference cheque"). Detailed records of the type contained in (3)(a) shall be maintained by the Dealing Member in respect of each transaction which resulted in:



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- a. a difference cheque of more than ₦1,000,000; or
 - b. a customer's refusal of a difference cheque of any amount.
- (5) A Dealing Member shall report to The Exchange all error transactions in such Dealing Member's account which result in:
- a. a profit or loss of more than ₦50,000, for any single transaction, or
 - b. an aggregate profit or loss of more than ₦500,000 in any calendar week.

The reports shall be rendered quarterly and shall contain a detailed record of the errors and liquidating transaction as may be defined and determined by The Exchange from time to time.

- (6) Any Dealing Member that contravenes the above stated rules shall be liable to a fine of ₦5,000 payable for everyday during which it remains in default in addition to any other sanctions that The Exchange may impose.

6. New Rule - Control of Offices and Trading Terminals

- (1) Each office, department or business activity of a Dealing Member (including foreign incorporated branch offices) shall be under the supervision and control of the Dealing Member establishing it and of the personnel delegated such authority and responsibility. The person in charge of a group of employees shall be reasonably accessible especially to the Dealing Member's customers and shall reasonably discharge his duties and obligations in connection with supervision and control of the activities of those employees and in compliance with applicable laws and regulations.
- (2) The Board of Directors of each Dealing Member shall provide for appropriate supervisory control and shall designate a senior member of its management who shall assume authority and responsibility for internal supervision and control of the firm and compliance with all applicable laws and regulations. This officer shall:
- (a) delegate to qualified employees responsibility and authority for supervision and control of each office or department, and provide for appropriate procedures of supervision and control;
 - (b) establish a separate system of follow-up and review to determine that the delegated authority and responsibility is being properly exercised.
- (3) With regard to the foregoing provision, only Authorized Clerks or Stockbrokers or persons sufficiently experienced or trained in supervisory and operating procedures and controls of a Dealing Member firm are qualified persons acceptable to The Exchange to be in charge of:



- (a) any office of a Dealing Member, or
 - (b) any branch, regional or other group of offices.
- (4) Dealing Members' foreign branch offices shall only be established with prior approval of The Exchange and continuation of the arrangement shall be subject to any changes in the Rules of The Exchange as may be thereafter adopted. Provided that:
- (a) Approved foreign branch offices and their personnel shall be fully subject to the Rules of The Exchange to the same degree and extent as are Dealing Members and their personnel. All obligations and liabilities of such foreign branch offices shall be guaranteed by its parent Dealing Member which shall be fully responsible for all acts of such foreign branch office.
 - (b) For the purposes of this provision, the term "foreign branch office" shall include any such independently organized foreign location –
 - (i) from which the services of the Dealing Member are being made available or
 - (ii) for which the financial resources of the Dealing Member are being utilized in the operation of the office or
 - (iii) as to which either of the above is held out, respectively, as available or being utilized.
- (5) Dealing Members shall develop and publish written communication policies and procedures that are appropriate for their business, size, structure and customers; and such policies and procedures shall include provisions for:
- (a) Reviewing and monitoring communications with their customers;
 - (b) Education and training of employees as to organizational policies and procedures; and documentation of such education and training; and
 - (c) Surveillance and follow-up to ensure that such policies and procedures are implemented and adhered to.
- (6) Dealing Members shall put in place proper controls and procedures to safeguard their offices, and shall make provision for secure facilities for storage of customer records and securities.
- (7) Dealing Members shall make adequate provisions for secure and controlled access to their trading terminals and other trading system support technology; documentation such as letterhead and other confidential and valuable documentation;
- (8) Where two Dealing Member firms share space or where a Dealing Member firm is part of another entity, the procedures and the physical layout of the office



- should clearly indicate the responsibilities of the firms or entities within the office;
- (9) Where the position of any Authorized Clerk or Stockbroker appointed to have responsibility for the Dealing Member's obligations under subsections (7) and (8) becomes vacant, such position shall be filled within three months of it having become vacant or, upon application by a Dealing Member, within such further period as The Exchange may determine;
- (10) Any Dealing Member that contravenes the above stated rules shall be liable to a fine of N5,000 payable for everyday during which it remains in default in addition to any other sanctions that The Exchange may impose.

7. New Rule: Client Record Keeping

- (1) Every Dealing Member must have appropriate procedures and systems in place which guide the safe storage and retrieval, in a manner safe from destruction, of all record of –
- a. communications relating to a service rendered to a client, including instructions given by the client to the member;
 - b. transaction documentation relating to clients;
 - c. contractual arrangements between the Dealing Member and its clients, including mandates prescribed by the rules; and
 - d. client particulars required to be provided in terms of the rules or which are necessary for the effective operation of client accounts;
- (2) The client records in (1) may be kept in printed, electronic or voice-recorded format;
- (3) Dealing Members need not hold the records in (1) themselves but must be capable of making such records available for inspection within seven days;
- (4) All instructions given by clients to execute transactions and all other client records in (1) must be kept for at least six (6) years after the rendering of the services concerned;
- (5) Any Dealing Member that contravenes the above stated rules shall be liable to a fine of N5,000 payable for everyday during which it remains in default in addition to any other sanctions that The Exchange may impose.

8. New Rule: Unit of Trading

Unless otherwise designated, the unit of trading in securities on The Exchange is 1 share.

9. New Rule: Cooperation in Connection with Inspections or Investigations

Dealing Members and their personnel shall cooperate fully and promptly with all inspections or investigations conducted by The Exchange or by the Securities and Exchange Commission and shall respond to inquiries by The Exchange and the Securities and Exchange Commission promptly.

10. New Rule: Nominal Transfers

Definitions

Nominal Transfer means a transfer of listed securities between the Transferor and the Transferee who are related or connected parties which involves no consideration passing from the Transferee to the Transferor.

Party means either the Transferor or the Transferee, each of which could be an individual or a corporate entity.

- (1) No security listed on The Exchange shall be bought or sold outside the facilities of The Exchange.
- (2) Any securities holder that wishes to transfer his securities by way of a nominal transfer shall apply to The Exchange through his Stockbroker for transfer of the securities. The Stockbroker shall carry out the requisite Know-Your-Client (KYC) enquiries on the securities holder and the proposed Transferee.
- (3) The Exchange shall review the application and the supporting documents submitted by the Stockbroker to determine whether the relationship between the proposed Transferor and the proposed Transferee is sufficient for the transaction to be classified as a nominal transfer.
- (4) In reaching a decision to classify a transaction as a nominal transfer, The Exchange shall:



**THE Nigerian
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- a. With regard to a nominal transfer between corporate entities, consider whether a Party directly or indirectly controls the other Party, or both Parties are under common control. A Party shall be deemed to control another Party if it holds or is beneficially entitled to hold, directly or indirectly, more than fifty percent (50%) of the total voting rights in the other Party, its total income, or issued share capital. Connections between corporate entities include but are not limited to the following:
 - i. Holding companies, subsidiaries and sister subsidiaries,
 - ii. a joint venturer and a special purpose vehicle created for the purpose of the joint venture;
 - b. With regard to nominal transfer between individuals, consider the following connections:
 - i. Whether there is a familial relationship between Transferor and Transferee including but not limited to spouse, brother, sister, father, mother, child or step-child;
 - ii. Whether the Transferor is acting as trustee of any trust or as the personal representative administering any deceased person's estate; and the Transferee, is:
 - A. a beneficiary of such trust or estate who has a familial relationship with the settlor of the trust or the deceased such as being a spouse, brother, sister, father, mother, child or step-child; or
 - B. a body corporate in which the beneficiary under "A" above is a shareholder, or
 - C. a trust whose terms confer a power on the trustees that may be exercised for the benefit of the beneficiary under "A" above.
 - c. With regard to a nominal transfer between an individual and a corporate entity, consider whether the individual is a beneficial shareholder of the corporate entity.
- (6) The Parties shall comply with such directions as may from time to time be provided by The Exchange with regard to completing the transaction.
- (7) In order for The Exchange to approve the transfer, the following documents shall be submitted to The Exchange:
- a. Application letter by the Stockbroker introducing the client and detailing the nature of the transaction;
 - b. 2 copies of client's Central Securities Clearing System Plc (CSCS) shares Statement indicating the current shareholding position, where the shares are dematerialized;



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STOCK EXCHANGE**

- c. 2 Copies of a Letter of Authority addressed to The Exchange executed by the proposed Transferor;
 - d. For a corporate entity, a duly executed board resolution and a certified true copy of its most recent Form CAC 7 (Particulars of Directors) and Form CAC 2 (Statement of Share Capital and Return on Allotment of Shares).
 - e. Original executed transfer form(s);
 - f. Mandate executed by the Transferor in favour of the Stockbroker making the application;
 - g. Other relevant documents such as means of identification of the Transferor, Transferee, any signatories or relevant person;
 - h. In respect of a trust, a certified true copy of the trust deed; and
 - i. In respect of the estate of a deceased, a certified true copy of the will and the probate or if intestate, the letters of administration;
 - j. Such other documents as may be required by The Exchange.
- (8) The Exchange shall charge a fee as may from time to time be determined and published by it as approved by the Commission.
- (9) Where the transaction is eligible for approval by The Exchange, the Transferee shall execute an indemnity in a form to be prescribed by The Exchange.

11. Cross Deals

When a Dealing Member or Authorized Clerk has an order to buy and an order to sell the same security at the same price, the Dealing Member or Authorized Clerk may “cross” those orders at a price at or within The Exchange best bid or offer.

12. Further Amendments to Article 88A: Order Entry and Execution

Legend: Additions - underlined
 Deletions – struck through

(a) Pre-Open Session

- (1) The Exchange shall designate a period time before the Opening Auction as a “Pre-Open Session.” During the ~~pre-open session~~ Pre-Open Session Dealing Members may enter limit orders for matching and trading in the Opening Auction. Dealing Members may also cancel, or modify any parameter of, orders previously entered during the Pre-Open Session.



**THE Nigerian
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- (A) Orders may be designated as “good till session”. Orders marked as good till session shall be eligible for execution in whole or in part during the Opening Auction, and any such orders or portions of such orders that are not executed during the Opening Auction shall expire at the close of the Opening Auction. Orders designated as “good till day” and “good till date” are eligible to participate in the Opening Auction in whole or in part, and if not executed in the Opening Auction, shall be executed and/or expire according to their respective terms.
- (B) or if Orders that are not executable according to their terms in the Opening Auction, then will be held by the system for matching and trading during the regular trading session. During this time, broker dealer members may also cancel, or modify any parameter of, orders previously entered during the Pre-Open session.
- (2) Dealing Members may not enter explicit cross trades during the Pre-Open ~~Session~~ session, but may enter implicit cross orders.
- (A) For purposes of this rule, an explicit cross order consists of two or more marketable orders on opposite sides of the market, entered by a single Dealing Member on behalf of two or more customers for the purpose of having such orders matched against each other.
- (B) For purposes of this rule, an implicit cross order consists of two or more marketable orders on opposite sides of the market, entered by a single Dealing Member on behalf of two or more customers, with no guarantee that such orders will be matched against each other.
- (3) ~~Orders with Special Terms, as defined in Article 88(b)(4), may be entered during the Pre-Open session, but shall be ineligible for execution during the Opening Auction. Orders with Special Terms that are entered during the Pre-Open session shall be queued in the Special Terms order book for execution during the Continuous Trading session, according to their terms.~~
- ~~(4)~~ Orders entered during the ~~pre-open session~~ Pre-Open Session shall not be matched or traded during the Pre-Open ~~Session~~ session but shall be queued in the Regular Term book for execution in the Opening Auction or the regular trading session. Orders entered during the Pre-Open ~~Session~~ session shall queue using the same Queue Priority methodology as trades entered during the continuous trading session.
- (4) During the Pre-Open Session, The Exchange shall publish an indicative opening price that will be updated as orders are entered, adjusted or cancelled. Such indicative opening price shall not be binding on the



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STOCK EXCHANGE**

market maker, who may adjust the opening price to reflect actual or anticipated supply or demand in the Opening Auction or during the continuous trading session. Indicative prices shall be limited to plus or minus 5% from the previous day's closing price or such other reference price as The Exchange shall define.

(b) Pre-Open Adjust Session

- (1) The Exchange shall designate a period of time after the Pre-Open Session and prior to the Opening Auction as the "Pre-Open Adjust Session". During the Pre-Open Adjust Session, market makers may enter orders for the purpose of offsetting an order imbalance by providing additional liquidity on the opposite side of the market from the imbalance.
- (2) During the Pre-Open Adjust Session, Dealing Members other than market makers are not permitted to enter, modify or cancel orders entered during the Pre-Open Session.
- (3) During the Pre-Open Adjust Session, The Exchange shall publish an indicative opening price that will be updated as market maker orders are entered, adjusted or cancelled. Such indicative opening price shall not be binding on the market maker, who may adjust the opening price to reflect actual or anticipated supply or demand in the Opening Auction or during the continuous trading session. Indicative prices shall be limited to plus or minus 5% from the previous day's closing price or such other reference price as The Exchange shall define.
- (4) At the close of the Pre-Open Adjust Session, the system shall recalculate the reference price based on the price set in the Opening Auction. After the reference price has been reset, price fluctuations during the continuous trading session shall be limited to plus or minus 5% from the reset reference price.

(c) Opening Auction

- (1) The ATS shall establish the market opening price for each security to maximize the volume of executable orders, as described herein.
- (2) In the Opening Auction, the ATS shall match executable limit orders in the limit order book, and any market maker interest designated as executable. Executions at the Opening Auction shall be allocated to executable orders as follows:



**THE Nigerian
STOCK EXCHANGE**

- ~~(A) Orders in the Regular Term book shall be tagged by the ATS as market orders; better than opening price limit orders; or limit orders equal to the opening price.~~
- ~~(B) Market orders shall have first priority in being matched and traded up to their entire volume. Market orders that match and are from the same member shall have cross priority and shall be filled before other market orders not having cross priority. Market orders not having cross priority shall be filled on a first in first out basis.~~
- ~~i. Market orders may trade through a range of price levels, determined by the price protection, as defined in subsection (e) below.~~
- ~~ii. For purposes of this rule, the protected price is the highest price such a buy order can trade at or the lowest price a sell order can trade at, in accordance with Article 100(d)(3) of the NSE Rules.~~
- ~~(C) After all market orders have been executed, better than opening price limit orders shall be matched and traded up to their entire volume. Better than opening price limit orders that match and are from the same member shall have cross priority and shall be filled before other better than opening price limit orders not having cross priority. Better than opening price limit orders that do not have cross priority shall be filled on a first in first out basis.~~
- ~~(D) After all better than opening price limit order have been executed, limit orders equal to the opening price shall be matched and traded up to their entire volume. Limit orders equal to the opening price that match and are from the same member shall have cross priority and shall be filled before other limit orders equal to the opening price not having cross priority. Limit orders equal to the opening price that do not have cross priority shall be filled on a first in first out basis.~~
- ~~(3) Orders that are not executed in the Opening Auction shall be placed in the queue of the Regular Order book for execution during the Continuous Trading session.~~
- (A) _____ The System shall evaluate all marketable orders to determine the Maximum Marketable Volume price. For purposes of this rule, the Maximum Marketable Volume price is the price or prices at which marketable buy and sell orders can be crossed that will result in the highest number of shares that are purchased and sold. If there is only one such price, the Maximum Executable Volume price shall be the opening price for trading.
- (B) _____ If there are two or more Maximum Executable Volume prices, the System shall evaluate all Maximum Executable Volume prices to determine the Minimum Surplus price. For purposes of this rule, the Minimum Surplus is the price or prices at which the crossing



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STOCK EXCHANGE**

of executable buy and sell orders will result in the smallest number of executable shares being unmatched in the opening cross. If there is only one such price, the Minimum Surplus price shall be the opening price for trading.

(C)(i) If there are two or more Minimum Surplus prices, the System shall evaluate all Minimum Surplus prices to determine the Market Pressure created by such prices. For purposes of this rule, Market Pressure measures the direction of the market as a result of the unexecuted buy or sell orders at each Minimum Surplus price, as follows:

(a) If there is a balance of buy orders over sell orders at a Minimum Surplus price (that is, an opening cross at the Minimum Surplus price being evaluated would result in a balance of unexecuted buy orders), the Market Pressure is positive.

(b) If there is a balance of sell orders over buy orders at a Minimum Surplus price (that is, an opening cross at the Minimum Surplus price being evaluated would result in a balance of unexecuted sell orders), the Market Pressure is negative.

(ii) If the Market Pressure is positive for all possible Minimum Surplus prices, then the opening price for trading shall be the highest of the Minimum Surplus prices. If the Market Pressure is negative for all possible Minimum Surplus prices, the opening price for trading shall be the lowest of the Minimum Surplus prices.

(D)(i) If the Market Pressure at each possible Minimum Surplus prices is not in a single direction (that is, at the various Minimum Surplus prices being evaluated, the Market Pressure for some are positive and for others are negative), the System shall determine the two Minimum Surplus prices where the Market Pressure changes from positive to negative, and shall compare these values to the Closing Price of the security in the previous trading session.

(ii) If the Closing Price from the previous trading session is:

A. Greater than or equal to the Minimum Surplus price that creates negative Market Pressure, then the opening price for trading shall be the Minimum Surplus price that creates negative Market Pressure.

B. Less than or equal to the Minimum Surplus Price that creates positive Market Pressure, then the opening price for trading shall be the Minimum Surplus price that creates positive market pressure.

C. Between the two Minimum Surplus prices, then the opening price for trading shall be Closing Price from the previous trading session.

(d) Continuous Trading

- (1) During the Continuous Trading session, Dealing Members, including market makers, may place, change or cancel orders, consistent with these Rules and Regulations.
- (2) The ATS shall designate incoming orders as either aggressive orders or passive orders as follows:
 - (A) Incoming orders that are executable upon entry (that is, orders that are capable of immediate execution consistent with the terms of the order) shall be considered aggressive orders.
 - (B) Any aggressive order that is unable to trade shall be designated as a passive order, and shall be queued into the market, following queue priority rules.
 - i. A special term order is aggressive when it enters the market order book as an incoming order, and becomes a passive order when queued. After a trade occurs in the market, a queued special term order becomes aggressive again only when it is able to trade with another queued order.
 - ii. A contingent order that has been entered into the trading system becomes an aggressive order when its trigger price is reached and it enters the market order book.
 - (C) Incoming orders that are not executable upon entry (that is, orders that are not capable of immediate execution consistent with the terms of the order) shall be considered passive orders.

(e) Queue priority for limit orders. An incoming order that does not immediately match with another order is queued in the market in descending order of priority by the following:

- (1) Best price
- ~~(2) Regular Terms before Special Terms~~
- ~~(3) Source~~
- ~~(4) Order Type~~
- ~~(7)~~ (2) Member Cross
- ~~(5)~~ (3) Earliest time stamp (first-in-first-out)
- ~~(6) Volume~~

(f) Queuing of market orders

- (1) Market orders will trade at the prevailing market price when entered if one or more executable contra-side orders are queued in the ~~Regular~~



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~~Term or Special Term order books. except Crossing orders and negotiated Deals. If a market order is entered and there are no orders on the other side of the order book, the market order will be rejected by the system.~~

- (2) If the market order is entered and partially matches with all orders on the other side of the book, leaving an outstanding quantity, ~~not filled in its entirety in the initial trade,~~ the ATS shall thereafter assign a limit price to the remainder of such order using the criteria set forth below, and such remainder will be queued in the ~~Regular Term~~ order book for execution:
- (A) ~~During the pre opening auction, if there are no other orders in the market, the limit price assigned by the ATS shall be the previous day's closing price. If there is no previous close, the ATS shall reject the market order.~~
- (A) During the ~~opening auction and~~ continuous trading session, if there is contra-side interest queued:
- (i) ~~The the remainder of the market order shall be queued at the last trade price, unless the market is configured to queue market orders at the calculated price, in which case any remaining volume shall be queued at the price calculated in accordance with subsection (B) below;~~
- (ii) ~~Where the market is configured to queue orders at the calculated price, the limit price assigned by the ATS shall be the best price from the opposite side of the market plus or minus the price protection amount set forth in Article 100(d)(3) of the NSE Rules (adjusted to be within the price band, where necessary), unless such limit price would result in a trade with an order that has the same NIN, in which case the limit price shall be the best limit price of the opposing orders with the same NIN plus or minus one tick;~~
- (iii) ~~The Exchange shall announce via information circular or similar public notice the method currently being employed by the ATS for determining the queuing price under subsections (A) and (B) above.~~
- (C) ~~During the open and continuous trading, if there is not contra-side interest:~~
- (i) ~~The limit price shall be the last trade price plus or minus the price protection amount; or~~
- (ii) ~~If there is same-side interest, the limit price shall be set to the best price from the same side of the market, plus or minus the price protection amount set forth in Article 100(d)(3) of the NSE Rules. If there is not same-side interest, the order shall be rejected.~~
- (iii) ~~If the limit prices derived from the calculations in subsections (A) or (B) above would fail one of the Exchange defined order reject checks, the limit price shall be revised upward or downward to a price that would pass the checks.~~



**THE Nigerian
STOCK EXCHANGE**

- (B) Market orders that have been assigned a limit price by the ATS pursuant to this rule shall in all other respects retain their character as market orders, and shall be executed accordingly.
- (g) When a passive order with queue priority meets the criteria of an aggressive order and has a price equal to or better than the aggressive order, the ATS shall match the passive and aggressive orders and execute a trade. When multiple queued orders exist at the best market price, a passive order from the same trading member as the aggressive order shall have cross priority and shall be executed before all other orders at the same price.
- (h) Decrementation - Upon execution, an order shall be reduced by an amount equal to the size of that execution and the remainder shall be eligible for execution until the order is either filled in its entirety or cancelled.
- (i) (1) At the end of the continuous trading session but before the Closing Session, there shall be a “Pre-Close Adjust Session”, the starting time and duration of which shall be designated by The Exchange.
- (2) During the Pre-Close Adjust session, continuous trading will cease.
- (A) Dealing Members may not withdraw or amend orders, including Pre-Close orders, during the session.
- (B) All unmatched orders entered in the continuous trading session will be automatically carried over to the Closing Auction, and will be eligible for execution during the Closing Auction.
- (C) Pre-Close orders entered during the Pre-Open Session or the continuous trading session shall become activated and visible to the market.
- (3) Dealing Members other than market makers are prohibited from entering order during the Pre-Close Adjust Session. During such session, market makers may enter orders for the purpose of offsetting closing imbalances. During this session, The Exchange will not publish an indicative closing price.
- (i) The market shall close at the end of the Pre-Close Adjust Session, at a time that shall be designated by The Exchange. The closing price of any security will be calculated by the system based on the supply and demand for such security at the end of the Pre-Closing Adjust Session as demonstrated by open orders carried into the Closing Session, Pre-Close orders entered for execution at the close, and market maker interest entered during the Pre-Close Adjust Session. All open orders, Pre-Close orders and market maker interest that were eligible for execution at the close shall be matched at the closing price.