



**THE Nigerian
STOCK EXCHANGE**

Frequently Asked Questions (FAQs)

ON THE STREAMLINED LISTING PROCESS

**BETWEEN THE SECURITIES AND EXCHANGE COMMISSION (SEC)
AND THE NIGERIAN STOCK EXCHANGE (NSE)**

1. What is streamlining of the listing process?

This is a collaboration between the Securities and Exchange Commission (SEC) and The Nigerian Stock Exchange (NSE) to address issues arising from duplication of processes in the review and approval for securities issuance and listing.

2. Why was it necessary to streamline the listing process of the NSE with the SEC?

The streamlining project was in response to the demand by market participants especially Capital Market Operators (CMOs) to address certain concerns regarding the documentation burden in the issuance and listing process across both organizations.

3. What are the outcomes from the streamlining listing process?

- (a) Stronger regulatory cooperation between the SEC and NSE.
- (b) Reduced documentation burden on Issuers for listings.
- (c) Minimized duplicated processes between the SEC and NSE.
- (d) Shorter and quicker time to market for listing of securities.

4. What process was adopted during the streamlining process?

- (a) A detailed review of the SEC Rules for issuance of securities and the NSE Rules for listing of securities was carried out.
- (b) Areas of overlap and duplications in the requirements of the Rules of the two organizations were identified.
- (c) Recommendations were proposed and submitted for the approval of the SEC.

- (d) Approved recommendations implemented, commencing 1st July 2019.

5. What is the streamlined position between the SEC and NSE?

The resolutions reached can be summarized as follows:

- a. Reliance on the SEC for enforcement of disclosure requirements in offer documents e.g. Prospectuses and Right Circulars etc.
- b. Joint site inspections by the SEC and NSE for new companies where listing will be undertaken immediately upon registration of securities with the SEC.
- c. Removal of certain documentation from the requirements of the NSE to minimize duplication between the two organizations.
- d. Less emphasis on submission of hard/physical copies of pre-listing application documents.

6. Going by the approved resolutions. What are the changes to the current application process?

A Sponsor filing an application with the NSE on behalf of an Issuer should note the following changes:

- (a) For initial listings, where listing is sought immediately upon registration of securities with the SEC, the SEC and NSE will conduct a joint site visit to the Issuer so that the Issuer does not have to engage with the entities on two (2) separate occasions.
- (b) Offer documents approved by the SEC will be accepted by the

NSE as final and the NSE will not engage in its own review of such documents.

- (c) NSE will no longer require Issuers to submit offer documents such as Vending Agreements, Trust Deeds, ISPO, and Underwriting Agreements.
- (d) The NSE will receive only documents that will enable it have comprehensive information on Issuers and carry out due diligence especially with regards to determining the Issuer's compliance with the eligibility criteria of the NSE. e.g. Shareholder's Resolution, Certificates of Incorporation, Board Resolution, Audited Accounts etc.
- (e) Electronic copies of the consent letters from all parties to a transaction can be submitted to the NSE at the initial stage of the application on the condition that the original hard copy will be submitted on or before the listing date.

copy documents, it is okay to file all documents to the NSE electronically?

Yes, except for the following which the NSE has elected to retain receiving in original hard copies due to their legal nature:

- a. Letter of indemnity
- b. General undertaking
- c. Declaration of compliance
- d. Consent letters of all parties to a listing
- e. Executed copies of offer documents. e.g. Prospectus and Rights Circulars.

7. Going by the changes made, where can the new list and format for submitting documents be found?

The updated checklists showing the list and format for submitting each document for specific application types has been uploaded on the NSE's website and can be accessed via this link:

<http://www.nse.com.ng/issuers/listing-requirements>

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8. Given that the NSE has deemphasized submission of hard