



AMENDMENTS

A. ADDITIONAL DISCLOSURE REQUIREMENTS

1. Amendment to Rule 279(2) – registration requirements:

Rule 279 (2)(6) of the Rules and Regulations is amended to include an additional paragraph.

The existing rule shall become sub rule (a), while a new sub rule (b) is created stating documents to be filed with the commission after the signing of offer documents or the holding of a CBM.

The **new sub rule (b)** reads as follows:-

“Upon signing the offer documents or holding a Completion Board Meeting the following documents must be filed within three (3) working days with the Commission:-

1. Two (2) signed/executed copies of the full Shelf Prospectus (where applicable);
2. Two (2) signed/ executed copies of the Pricing Supplement prospectus/Right circular/ Placement memorandum;
3. Two (2) signed/executed copies of the prospectus & Abridged prospectus (where applicable).
4. Two (2) copies of Vending Agreement (signed/ sealed and stamped);
5. Two (2) copies each of programme and supplemental Trust Deeds (signed, sealed and stamped);
6. Two (2) copies of underwriting Agreement (signed, sealed and stamped) (where applicable);
7. Two (2) copies of Sub-underwriting Agreement (signed, sealed and stamped) (where applicable);

8. Two (2) copies of Specimen bond/share certificate/E-allotment;
9. Two (2) signed copies of Newspaper advert material (Not applicable for private placement offers);
10. NSE certificate of exemption. (Not applicable for Rights issue programme, Private placement and offer by unquoted Companies);
11. Power of Attorney in case of absentee parties;
12. Two copies of verification Questionnaire (Applicable only when the issuer holds Completion Board Meeting)”.

2. Amendment to Rule 279(3)(5)(ii):

A shelf prospectus shall be effective for a period of two years from the date of its issue and it shall not be renewed.

An amendment is created as follows:-

“A shelf prospectus shall be effective for a period of three years from the date of its issue and shall be subject to renewal as may be approved by the Commission. Provided, that the Shelf prospectus of sub-nationals shall be effective for an indefinite period until determined by the Commission”.

3. New Rule 279(9) for Incorporation by reference

Rule 279 is amended to include a new item. The **new sub rule (9)** reads as follows:-

“Information may be incorporated in the offer document by reference to one or more previously or simultaneously published documents that have been previously approved or filed with the Commission.

- a. Information incorporated by reference shall be the latest available to the Issuer.
- b. Information may be incorporated by reference if it is contained in one of the following documents:-

- 1) Annual and interim financial information and Documents prepared on the occasion of a specific transaction such as a merger or demerger;
 - 2) Audit report and financial statements
 - 3) Earlier approved and published prospectus; or
 - 4) Regulated information
- c. When Information is incorporated by reference, a cross-reference list shall be provided in the offer document to enable investors to identify easily, specific items of information.
 - d. The document containing the referenced information shall be in English Language
 - e. The referenced information shall be easily accessible and shall be proved to be updated regularly (where applicable).
 - f. If a document which may be incorporated by reference contains information which has undergone material changes, the issuer shall file fresh documents;
 - g. The issuer may incorporate information in the offer document by making reference only to certain parts of a document, provided that it states that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the offer document.
 - h. When incorporating by reference, Issuers shall endeavor not to endanger investor protection in terms of providing detailed and accessible information.
 - i. Incorporation by reference shall only be available to supranational bodies and any other issuer able to demonstrate a track record of updating essential information on a public domain which is easily accessible.”

4. Amendment to Rule 287 (1): Statements required in a Prospectus

Rule 287(1) of the Rules and Regulations is amended to include an advisory clause which will be applicable to equity and fixed income. The new rule is as follows:-

Advisory Clause (Equity/Fixed Income)

“Investors are advised to note that liability for false or misleading statements or acts made in connection with the prospectus is provided in sections 85 and 86 of the ISA.”

5. Amendment to Rule 288 (1)(d):

Rule 288 (1)(d) of the Rules and Regulations is amended to include a summary of the capital structure of the issuer. The amended rule shall read as follows:-

(d) the offer stating the requirements of rules 287 (2) and (3), the times of opening and closing of the offer, the share capital of the company showing the authorized share capital, issued and fully paid share capital and the indebtedness of the company, including details of bridging loans if any, and a summary of the capital structure which shall contain the following information about the issuer:-

A) Cash and cash equivalent.

B) Short term debt.

C) Long term debt.

D) Total shareholder's equity.

E) Guarantees - Where a guarantee is provided in respect of an issue of securities, the prospectus must contain relevant information relating to the guarantee which is material to the issue.

F) Notifications: For a **Book-building offer (the Red herring prospectus)**.- Where the final offer price and/or the amount of the securities which will be offered cannot be included in the prospectus, the criteria and/or conditions in accordance with which these elements will be determined or, in the case of price, must be disclosed in the prospectus.

6. Amendment to Rule 288 (1)(e) Contents of a Prospectus : Under names and addresses of Directors(Equity)

Rule 288(1)(e) is amended by inserting after the word 'directors,'
"... Audit Committee members..." to read as follows:-

(e) Names and addresses of the directors, Audit Committee members and the other parties to the issue.

7. Amendment to Rule 288(1)(g) on Historical financial Information - Statutory Auditors (Equity)

Rule 288(1)(g) of the Rules and Regulations is amended to include detailed information about the statutory auditors of the company. The amended rule shall read as follows:-

- “(g) five (5) year audited historical financial information comprising of the following:-
- i. accounting policies, balance sheets, profit and loss accounts, cash flow and notes to the accounts:
Provided that where the company has existed for less than five (5) years, audited historical financial information for the number of years in existence or an audited statement of affairs for a new company;
 - ii. Names and addresses of the issuer’s auditors for the period covered by the historical financial information (together with their membership in a professional body).
Where the auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.”

8. Amendment to Rule 288(1)(h)

Letter from the reporting accountants reviewing the audited accounts for the period.

Rule 288 (1) (h) is amended to include the follows:-

‘...or Management discussions and Analysis where the offer is restricted to Qualified Institutional Buyers (QIBs)’

9. New Rule 288(1)(p) :

Rule 288(1) of the Rules and Regulations is amended to include a new sub rule (1)(p) to read as follows:-

“the extract of the AGM and Board Resolution authorizing the issue”

The existing sub rule (1)(p) which is the “catch all” provision of the rule has become sub rule 1(q).

10. Amendment to Rule 288(3) on Risk Factors:

“Detailed risk factors shall be provided in an offering document to enable an investor take an informed decision. The details of the risk factors should be extensively stated without stating the mitigants”.

11. New Rule 288(7)(c):

Rule 288(7) of the Rules and Regulations is amended to include a new sub rule (c) to read as follows:-

“A prospectus should contain descriptions of major customers/suppliers (i.e. those individually contributing 10% or more of turnover/purchase for each of the last three financial years and the latest financial period [if any]), level of sales/purchase, and whether or not the company is dependent on the major customers/suppliers for business. (if applicable)”

12. Amendment to Rule 288(7):Information about the Issuer (Equity and Fixed Income)

Rule 288(7) of the Rules and Regulations is amended to include the following:

1. Heading of sub rule (7) – Delete the word ‘**company**’ and replace with the word ‘**issuer**’.
2. The existing sub rules (a) and (b) is now (g) and (h). The amendment to the rule shall read as follows:

“(7) Information on the issuer

- a. History and Development of the Issuer;
- b. The important events in the development of the issuer’s business;

- c. Investments;
- d. A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the registration of the document;
- e. A description of the issuer's principal investments that are in progress, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external);
- f. Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments.
- g. availability of raw materials, i.e. where the company derives or will derive its raw materials from;(equity)
- h. quality control procedures or quality management programme in place. (equity)
- i. Provide a description of the issuer's policy on dividend distributions and any restrictions thereon.(equity)
- j. Material Contracts (Equity and Fixed Income)
 - i. A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the five years immediately preceding publication of the prospectus.
 - ii. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration of the document".

13. Amendment to Rule 288(10) on Directors' interest

Rule 288(10) of the Rules and Regulations is amended to include a new sub (10)(c) to read as follows: -

“Details of any family relationship or associations between the substantial shareholders, promoters, directors, key management or key technical personnel.”

14. New Rule 288(16)(3) on Additional Financial Information (Fixed Income)

Rule 288(16) of the Rules and Regulations is amended to include a new sub. New sub rule (3) is as follows:-

(3) Additional financial information

The prospectus must also disclose the following financial information:

- a. If a material deficiency is identified in the issuer’s ability to meet its cash obligations, disclose the course of action that the issuer has taken or proposes to take to remedy the deficiency. Include a statement whether there has been any default on payments of either interest/profits and/or principal sums for any borrowing/financing throughout the past one financial year and the subsequent financial period; and
- b. If the issuer or any other entity in the group is in breach of terms and conditions or covenants associated with credit arrangement or bank loan/financing which can materially affect the issuer’s financial position and results or business operations, or the investments by holders of debenture/sukuk of the issuer, provide details of the credit arrangement or bank loan/financing and any actions taken or to be taken by the issuer or other entity in the group to rectify the situation, including status of any restructuring negotiations or agreement, if applicable.

Pro forma financial information is required if the debenture/sukuk offered causes or has a material effect on the issuer/group’s assets, liabilities or earnings.

15. New Rule 288 (23):

Rule 288 of the Rules and Regulations is amended to include a **new sub rule (23) Expert’s Reports (Equity and Fixed Income)** to read as follows:-

- (1) A prospectus shall contain excerpts from, or summaries of, opinion expressed and conclusion recorded in any expert's report. The expert's report must be signed and dated within six (6) months of the issue of the prospectus to ensure that the contents are substantially relevant.
- (2) Where valuations of property assets have been carried out for inclusion in a prospectus, a summary of the valuation must be included in the prospectus.
- (3) Where the offering involves sukuk, the Shariah pronouncement including detailed reasoning/justification from the Shariah adviser must be disclosed in the prospectus.
- (4) If the expert becomes aware of significant changes affecting the content of its report, either:
 - (a) between the date of the report and the issue of the prospectus; or
 - (b) after the issue of the prospectus and before the issue of the debt instrument,

The expert has an on-going obligation to either cause its report to be updated for the changes and, where applicable cause the issuer to issue a supplementary prospectus or replacement prospectus, or withdraw his consent to the inclusion of the report in the prospectus.

- (5) Failure to comply with sub (4) above shall result in the issuer and the expert being liable for any misleading statement or material omission in the outdated report.
- (6) The full expert report should be made available for inspection.

16. Amendment to Rule 323 (7): (Conditions for approval of offer)

Upon approval by the Commission of the red herring prospectus, it shall be circulated by the book runner to the qualified institutional/ high net worth investors, inviting offer for subscription to the securities.

Rule 323 (7) is amended to read as follows:-

“Upon approval by the Commission of the red herring prospectus, the book runner shall commence the book-building by circulating the prospectus to the qualified institutional/high net worth investors, within two business days, inviting offer for subscription to the securities.

17. Amendment of Rule 323 (14): (Conditions for approval of offer)

The existing rule 323(14) is now 323(14)(a):-

A new Rule 323 (14)(b) is hereby created as follows:-

The updated offer documents shall be signed and submitted to the Commission within three (3) working days from the date of approval (along with the basis of allotment where the offer is by book building).

18. Amendment to Rule 323(18) - Conditions for approval of offer:

Rule 323 (18) of the Rules and Regulations is amended to include an additional paragraph as stated below:

A new Sub Rule 323 (18) (a) & (b) is created to state as follows:

- (a) The executed offer documents and evidence of qualification of high net-worth investors shall be filed with the Commission within two (2) working days of the signing of the offer document or the Completion Board Meeting.
- (b) Completion Board Meeting or signing of offer documents must be concluded within three (3) days of approval of offer documents by the Commission”.

19. Amendment to Rule 344:(Placement Memorandum)

Rule 344 of the Rules and Regulations is amended to include a new sub rule (g) to read as follows:-

“the extract of the AGM and Board Resolution authorizing the issue”

The existing sub rules (g) and (h) is now sub rule (h) and (i) respectively.

20. Amendment to Rule 565 – (Requirements for Registration)

Rule 565 of the Rules and Regulations is to be amended by the insertion of a **new sub rule (7)** which reads as follows:-

“(7) A statement of investment principle of the trustee shall be contained in the Trust Deed and form part of the extracts in the prospectus.”

B. AMENDMENTS TO THE RULES ON MERGERS

1. Amendment to Rule 421 - Definition of terms

Some additional definitions were made as follows:-

“Affected Transactions” means any transaction which forms part of a series of transactions or scheme, whatever form it may take, which;

- (a) taking into account any securities held before such transaction or scheme, has or will have the effect of:-
 - (i) vesting control of any company in any person, or two or more persons acting in concert, in whom control did not vest prior to such transaction or scheme; or
 - (ii) any person, or two or more persons acting in concert, acquiring or becoming the sole holder or holders of, all the securities, of a particular class, of any company (excluding a private company); or
- (b) involves the acquisition by any person, or two or more persons acting in concert, of securities of a company in excess of the limits prescribed by the rules;

“Acting in Concert” shall have the same meaning as provided in section 132 (3) of the ISA”.

“Holding Company” shall have the same meaning as provided in Companies and Allied Matters Act 1999 or as maybe amended from time to time”

2. Amendment to Rule 423 – Approval by the Commission

A new **Rule 423 (3)** is created to read as follows:-

Any entity which contravenes the provisions of section 118 (1) of the ISA and Rule 423 (1) above shall be penalised as specified in Schedule II of these rules and regulations.

New Penalties under Schedule II in respect of Mergers, acquisitions, External Restructuring and other form of Business Combinations are stated below:

Mergers:

- Merger among companies with combined assets or turnover between N1,000,000,000.00 and N5,000,000,000.00 shall be liable to a penalty of not less than N1,500,000.00 and N5,000.00 for every day of continuing default or nullification of the said transaction from the date of consummation of the transaction.
- Merger among companies with combined assets or turnover of N5,000,000,000.00 and above shall be liable to a penalty of not less than N2,000,000.00 and N5,000.00 for every day of continuing default or nullification of the said transaction from the date of consummation of the transaction .

Acquisitions

- An acquisition in a private/ unlisted public companies with combined assets or turnover of N500,000,000.00 and above shall be liable to a penalty of not less than N1,000,000.00 and N5,000.00 for every day of continuing default or nullification of the said transaction from the date of consummation of the transaction

External Restructuring and other form of Business Combinations

- Any entity which contravenes the provisions of Rule 440 shall be liable to a penalty of not less than N500,000.00 and N5,000.00 for every day of continuing default or nullification of the said transaction from the date of consummation of the transaction.

3. Amendment to Rule 425 (Procedures for obtaining approval for mergers)

The opening paragraph under Rule 425 is amended to exclude:-
“...acquisitions or other forms of external restructuring...”

Rule 425 is amended to read as follows:-

“Companies proposing a merger shall”

Rule 425(1) (a) and (b) is amended to read as follows:-

- (a) file with the Commission, a merger notification and a draft Scheme for evaluation.
- (b) upon notification of approval in principle, in (a) above file an application in the Federal High Court seeking an Order to convene a court ordered meeting;
- (c) Issue notice of court-ordered meeting to members and publish same in two national dailies and a copy filed with the Commission.
- (d) comply with post-approval requirements.

4. Amendment to Rule 426 (Requirements for Merger notification)

A new Rule 426 (2) and (4) is created to read as follows:-

(2) The report shall be accompanied by a draft scheme document which shall contain the following:-

- (i) Separate letters from the chairmen of the merging companies addressed to their respective shareholders;
- (ii) Explanatory statement to the shareholders by the joint financial advisers addressing the following—
 - (a) The proposals;
 - (b) Conditions precedent;
 - (c) Reasons for the proposal;
 - (d) The synergies/benefits;
 - (e) Plan for employees;
 - (f) Capital gains tax;
 - (g) Approved status;
 - (h) Meetings and voting rights;
 - (i) Instructions on proxies;
 - (j) Settlement and certificate;

- (k) Information regarding each of the merging companies;
- (l) Recommendation;
- (m) Further information under appendices as follows:

APPENDICES I and II

- A. Background information on the merging companies—
 - Beneficial ownership;
 - Indebtedness;
 - Shareholders’ resolution;
 - extract from Memorandum and Articles;
- B. Letters from financial advisers.
- C. Documents available for inspection.

APPENDIX III

Information on the enlarged company—

- A. Pro forma statement of shareholding.
- B. Pro forma profit and loss account.
- C. Pro forma balance sheet.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION:

- A. Responsibility statement.
- B. Disclosure of interest by the directors of the merging companies.
- C. Material contracts to the Scheme.
- D. Claims and litigations against the merging companies.
- E. Consents of parties to the Scheme.
- F. General information.

APPENDIX V

BASIS OF VALUATION AND ALLOTMENT OF NEW SHARES:

- Background.
- Basis and assumptions.
- Valuation method.
- Allotment of new shares.
- Post scheme shareholdings.

APPENDIX VI

Scheme of arrangement between the merging companies:

- A. Preliminary (expressions and meanings);
- B. & C. Statement of the authorized share capital of the merging companies and shareholding positions;
- D. State the various resolutions for the proposed Scheme;
- E. The Scheme, detailing the following:
 - (1) State proposals of the Scheme;
 - (2) effects of the Scheme or allotment;
 - (3) consequences of the Scheme or certificate;
 - (4) creditors;
 - (5) employees;
 - (6) directors;
 - (7) conditions precedent;
 - (8) effective date of Scheme;
 - (9) modification;
 - (10) date.

APPENDIX VII

Notices of court-ordered meetings to the shareholders of the merging companies:-

(a) The Notice required for the court ordered meeting shall be as specified in the Companies and Allied Matters Act or as prescribed by the Court.

(b) evidence of increase in share capital of the acquiring company to accommodate any anticipated increase in paid-up capital following the Share Exchange;

(c) prescribed fees—

(i) public companies – value of shares issued by the resultant company, calculated thus—

1st ₦500 million – 0.3 %

next ₦500 million – 0.225 %

any sum thereafter – 0.15%

(ii) Private companies – **Total consideration of the transaction** calculated as in (i) above;

(d) Scheme document (if necessary) or draft particulars in the case of listing on the second-tier securities market;

(e) two copies of the draft financial services agreement;

(f) copies of draft proxy forms for each of the merging companies;

(g) a certified copy of the court-order directing the holding of the shareholders' meeting;

(h) a statement that the certificate of incorporation of one of the merging companies shall be the certificate of the surviving or resultant company (where applicable);

(i) proposed amendment to the original Memorandum and Articles of Association of the resultant company (where applicable).

(3) (a) The Scheme document shall set out, on top of the front cover page, the following statement to be highlighted in bold letter:

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”;

(b) immediately after the statement in (a) above, the following shall be stated in small letters—

“If you are in doubt as to what action to take, it is recommended that you consult your stockbroker, banker, solicitor, accountant, or any other independent professional adviser”;

(c) immediately after the statement in (b) above the following shall be stated in small letters—

“If you have sold all your shares in (names of the merging companies) please hand over this document and the accompanying proxy forms to the purchaser(s), the stockbroker or bank through whom the shares were sold, for transmission to the purchaser”;

(d) the Scheme document shall contain, at the bottom of the front cover page, the following statement highlighted in bold letters:

“THE PROPOSALS WHICH ARE THE SUBJECT OF THE SCHEME OF MERGERS (ARRANGEMENT) SET OUT IN THIS DOCUMENT HAVE BEEN CLEARED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUIRED TO TAKE ARE SET OUT ON PAGES (STATE PAGE NUMBERS)”.

(4) Any document required to accompany **the scheme document** which has been previously filed with the Commission may be incorporated by proper reference provided that such documents were filed within 6 months of the present application and is found acceptable by the Commission.

(5) Letter of consent given by the parties to the scheme duly notarized by a notary public or a Commissioner for Oath. Where consent is contained by a power of attorney it shall be executed.

5. Rule 428 (Clearance of Scheme Document)

- a. The New Heading to **Rule 428** is amended to read, “**Requirements for Formal Approval**”
- b. **Rule 428 (1)** is deleted.

Rule 428 (2) is amended as **New Rule 428** to read as follows:

“ Upon receipt of favorable response to a merger notification from the Commission, a formal application for approval of a proposed merger, shall be filed with the Commission accompanied by the following:-

- (i) **Two copies of executed scheme documents**
- (ii) **Two copies of Court-Ordered meeting/resolutions**
- (iii) **Two executed copies of Financial Services Agreement**
- (iv) **Copies of Scrutineers reports**
- (v) **All executed contracts in respect of the merger**

C. Amendments – Takeovers

1. **Amendment to Rule 445 (Take-over bids) – New sub rule (5)**
A new Rule 445 (5) is created to read as follows:-

“In addition to (4) above, an Offeror shall make an announcement on the floor of the exchange of their intention to make a takeover bid to the Offeree Company”.

2. Amendment to Rule 445 (Take-over bids) – New sub rule (1)(c)

A new 445 (1) (c) is created to read as follows:-

“The takeover bid referred to in Subsection (1) above shall be deemed to be dated as follows:-

- i. On the date on which it is dispatched;**
- ii. On the latest date on which such bid is dispatched, where it is dispatched on more than one day; or**
- iii. On the date on which it is posted, where dispatched by post”.**

3. Amendment to Rule 446 (Contents of a bid) – New sub rule (1)(g)

A new Rule 446 (1) (g) is created to read as follows:-

(g) Include a report, opinion or statement by an expert where such expert has consented in writing to the inclusion and a copy of such report, opinion or statement shall be forwarded to the Commission along with the expert’s consent in writing by the Offeror Company or its agent.

4. Amendment to Rule 446 (Contents of a bid) – New sub rule (3) - Directors’ Circular

A new sub rule (3) is created on Directors’ circular to read as follows:-

- (1) The directors of an Offeree company shall upon receipt of a bid dispatched to each of them, send a directors’ circular to each shareholder of the Offeree company and to the Commission at least seven days before the date on which the take-over bid is to take effect.**
- (2) Where the directors do not send a directors’ circular as required under sub rule (1) above within ten days of the date of a take-over bid, the directors shall forthwith notify the shareholders of the Offeree company and the Commission that a directors’ circular shall be sent to them, and may recommend that no shares be tendered pursuant to the take-over bid until the directors' circular is sent;**

- (3) The Notice referred to in (2) above shall be signed by two directors and shall acknowledge receipt of a bid detailing the particulars of the Offeror company and a time frame within which a directors' circular shall be forwarded;
- (4) The Directors' circular shall state the particulars of the Offeror, the number of shares sought to be acquired, the effect of the bid on the operations of the company and the employees, expert's opinion where applicable, opinion and recommendation of the Offeree's directors.
- (5) The directors' circular shall contain (where applicable), the dissenting opinion of a director who disagrees with any statement in the directors' circular together with a statement setting out the reasons for his dissenting opinion or disagreement.
- (6) The directors of an Offeree company shall approve a directors' circular which contains the recommendations of a majority of them, and the approval shall be evidenced by the signature of one or more than one director.
- (7) A directors' circular shall include particulars of any payment made to an officer or former officer of an offeree company by way of compensation for loss of his office, or of any office in connection with the management of the company's affairs, or of any office in connection with the management of any subsidiary of the company, or as consideration for or in connection with his retirement from any office.

5. Amendment to Rule 448(Registration of take-over bid) – New sub rule (8) Post Bid Requirements

A new sub rule (8) is created for Post bid requirements to read as follows:-

- (1) The number of days within which the Offeror may take up shares deposited pursuant to a bid shall be;
 - (i) Ten days after the date of the takeover bid where a takeover bid is for all of the shares of a class in an Offeree company;
 - (ii) Twenty-one days after the date of the takeover bid where a takeover bid is for less than all the shares of any class in the Offeree Company.
- (2) Shares may be deposited pursuant to the bid no later than thirty-five days from the date of the takeover bid, provided that the Commission may grant an extension of time upon application.

- (3) Where the number of shares deposited is greater than the number of shares the Offeror is willing or bound to take up, the shares shall be taken up rateably by the Offeror and shall be pre-approved by the Commission;
- (4) Any amendment to a takeover bid after the bid has been registered with the Commission and dispatched shall be pre-approved by the Commission;
- (5) The treatment of the shares of any dissenting shareholder should be disclosed to the Commission together with documentary evidence of payment and the order of the court (where applicable);
- (6) Where the Offeror is entitled to not less than ninety percent of the shares of an Offeree company due to a takeover bid, notice of this fact must be issued to the holders of the remaining shares and a copy of this notice must be forwarded to the Commission;
- (7) An aggrieved shareholder of an Offeree company may lodge a complaint with the Commission.

D. OTHER SUNDRY AMENDMENTS TO THE RULES

1. Amendment to Rule 20(Qualifications of sponsored individuals and Compliance officers).

A new sub rule (7) is added to Rule 20 and reads as follows:

Where:

- a. A registered sponsored individual is transferring his/her employment/services from a capital market operator to another capital market operator to perform the same function; the sponsored individual need not appear before the Registration Committee Meeting.
- b. A sponsored individual is registered for a specific function (e.g. Issuing House function) and intends transferring his/her employment/services to another House registered for a different function (e.g. Broker/Dealer function) then such sponsored individual shall appear before the Registration Committee Meeting to be registered for the new function, notwithstanding his earlier registration with the Commission.

- c. Where a registered Sponsored Individual resigns his/her employment to a non-Capital Market Operator for a period of twelve (12) months, he shall apply as a fresh sponsored individual, if he intends to be employed in the Capital Market.

2. Amendment to Rule 305 (6): (Proceeds of issue)

The amended Rule 305(6) shall read as follows:-

“The issuer is prohibited from using the proceeds of the issue for purposes other than those stated in the prospectus without the prior written approval of the Commission. Provided that such proposed change must be in line with the objective of the Capital Raising Exercise”.

3. Rule 312 (5): (Under subscription)

An amendment has been made to Rule 312(5) as follows:-

- a. Where an equity issue is not fully subscribed, the under-subscribed portion which is not underwritten shall revert to the company as part of its unissued authorized share capital. In the case of a bond issue, the unsubscribed portion which is not underwritten shall revert to the Issuer for cancellation. Provided that where it is offered under a shelf registration, the unsubscribed portion shall revert to the shelf.
- b. In all cases of an Issue not being fully subscribed, a revised utilization of offer proceeds schedule shall be forwarded to the Commission along with the basis of allotment.