



Pursuant to the Investments & Securities Act (ISA) 2007, the Commission has reviewed and approved the following new Rules and Amendments to its existing Rules and Regulations as follows:

## 1. **New Rules**

- a. Rules on Direct Cash Settlement
- b. Rules on Electronic Offerings
- c. Rules on Transmission of Shares

## 2. **Sundry Amendments**

- a. Amendment to Rule 39- Annual Report
- b. Amendment to Rule 41(1)- Quarterly Report
- c. Amendment to Rule 41 (4)- Interim Financial Statement
- d. Amendment to Rule 67(2)- Individual Sub-broker (Re-instatement)
- e. Deletion of Rule 190(1) and 216(1)-Trading Rules
- f. Amendment to Rule 300- Pre-Offer Waiting Period (Fixed Price Offers)
- g. Amendment to Rule 302- Application Form
- h. Amendment to Part C (Schedule 1- Securities Offering)
- i. Amendment to Part N Rule 602- Miscellaneous (Prohibition of Gifts by Public Companies at meetings etc.)
- j. Amendment to Rules relating to Complaints Management for the Capital Market

## 1. **New Rules**

### **A. RULES ON DIRECT CASH SETTLEMENT (DCS)**

#### **1. Definition**

**Direct Cash Settlement** is a process of paying proceeds of trades carried out on behalf of a client into the client's designated bank account directly by a clearing and settlement entity.

**Dealing Member** for the purpose of these rules, is a registered member of an exchange, which has obtained a dealing license to execute trades on behalf of its clients.

#### **2. Applicability**

These rules shall apply to all registered clearing and settlement entities, and the concerned Dealing Members of registered securities exchanges that execute sale transactions on behalf of their clients.

#### **3. Requirements**



- (1) All clearing and settlement entities and the Dealing Members of registered exchanges shall ensure compliance with these rules;
- (2) Settlement of sell side of exchange-traded securities carried out on a securities exchange shall be done by direct payment into the client's account by an approved clearing and settlement entity except where a client opts out in writing;
- (3) Where a client opts out, the Dealing Member shall notify the clearing and settlement entity not less than three business days prior to executing any sale trade on behalf of the client.
- (4) All Dealing Members shall provide their clients' bank account details, including BVN to an approved clearing and settlement entity for purpose of direct cash settlement;
- (5) Where a client does not provide account details and does not opt out in writing, the Dealing Member shall not execute any sell order on behalf of the client.
- (6) Settlement of all sale exchange-traded securities shall be made by direct payment into the client's account within the clearing and settlement entity's stipulated settlement cycle.

#### **4. Sanctions**

- (1) A Clearing and settlement entity that violates the provisions of these rules shall be liable to a penalty of not less than Ten Million Naira (₦10,000,000) in addition to any other sanction which the Commission may impose;
- (2) Any person that violates the provisions of these Rules shall be liable to a penalty of not less than N1 million and a fine of not less than three (3) times the value of the amount settled, in addition to any other sanction the Commission may impose.

#### **B. RULES ON ELECTRONIC OFFERING**

##### **Definitions**

"Electronic Offering" or "e-Offering" means the use of the Internet (or other electronic means including but not limited to, mobile or USSD platforms) to display and/or provide access to prospectuses, offering memoranda or other disclosure/offer documentation, application and/or subscription forms or other documentation for the subscription to



securities and related documentation used during an offer, subscription and payments for such electronic offerings by members of the public;

“ESP” means an Eligible Service Provider registered by the Commission to operate as a Securities Exchange or Capital Trade Point.

“IPO” means Initial Public Offer;

“Sponsor” means the entity that is supporting an Issuer in an Offer;

“USSD” means Unstructured Supplementary Service Data;

## **Rules of General Application**

### **1. Regulation of Activities**

- (1) The ESP shall be responsible for the coordination and operation of the e-Offering as well as the implementation of security measures and systems (testing, contingency planning and decision-making);
- (2) An ESP shall have a disaster recovery plan that will ensure the ability to respond to disaster or other emergency that might affect information system, data and/or operation of the e-Offering;
- (3) An ESP shall obtain the following documents in electronic form which shall be uploaded on the e-Offering platform and made available to prospective investors in connection with any offer:
  - a. The prospectus, any supplemental prospectus, placement memoranda, rights circular approved by the Commission;
  - b. The completed subscription/application forms; and
  - c. Any other relevant documents in connection with the offer (collectively called the “Offer Documents”)

### **2. Obligations of the Issuing House(s), Issuer and/or Sponsor**

- (1) The Issuing House(s), Issuer and/or Sponsor shall comply with these Rules and Regulations and other selling restrictions, publish information regarding the offer on their respective websites to enable investors make an informed decision.



- (2) The Issuing House(s), Issuer and/or Sponsors shall be responsible for creating awareness that the securities on offer can be subscribed to electronically on the designated e-Offerings for such issues.
- (3) Notwithstanding the provisions of these guidelines, an Issuing House, Issuer and/or Sponsor shall comply with the provisions of the ISA, the SEC Rules and relevant exchange rules with regards to the approval of an Offer.
- (4) The Issuer and Issuing house(s) shall provide detailed instructions and other information relevant in the e-Offering to the ESP(s) prior to the commencement of the offering and upon receipt, the ESP shall provide written confirmation to the Commission accordingly. Such information shall include:
  - a. the Offer Documents;
  - b. the opening and closing date of the offer for the purposes of hosting the offer on the e-Offering platform;
  - c. the date and time the ESP(s) should post the Offer Documents and application on its websites;
  - d. disclaimers, disclosure statements, warnings or legends (as applicable), which the issuer and the Commission may require the ESP to include on the e-Offering platform;
  - e. any relevant consent(s) and/or prior approvals required to be obtained by the ESP from the Issuer;
  - f. details of pre-defined report specifications/formats (if required) for data submitted by ESP to Registrars;
  - g. procedures for re-submission of application data (where permitted under the offer); and
  - h. Any other information as may be required by the Commission from time to time.

### **3. Information to the Public**

- (1) The Issuer and/or Sponsor shall post the particulars and details of its selected ESP on its website along with:



- a. a list of all the available subscription channels;
- b. a list of participating ESPs (where the offer is to be undertaken on more than one e-Offering platform). In this instance, the Platforms shall be able to interact with each other and provide for the aggregation of subscription data in a single database;
- c. the offer open and close dates;
- d. instructions for making applications; and
- e. names and addresses of all the professional parties to the offer, as contained in the prospectus.

#### **4. Contingency and Planning**

- (1) The Issuing House(s), Issuer and Sponsors (where applicable) shall ensure or procure that there is a primary and secondary contingency plan in place to address and deal with any disruptions to the e-Offering whether operational, technological or otherwise.
- (2) The Issuer and ESP shall ensure that there is a minimum contingency plan of technology infrastructure as well as automated disaster recovery contingency plan.

Provided that, at all times, the ESP shall have the primary responsibility for ensuring that the e-Offering platform works effectively.

#### **5. Obligations and duties of the ESP**

- (1) The ESP shall:
  - a. be responsible for the compliance and system integrity of the entire e-Offering platform;
  - b. ensure that the processes for collection and handling of applications from applicants and the electronic interface of its website works effectively;



- c. adhere to the instruction of the Issuing House(s) in connection with the coordination of e-Offering in accordance with the terms of the offer;
- d. ensure that the Offer Documents are readily accessible on the offering platform;
- e. ensure that its computer systems have sufficient capacity and security to protect the integrity of the e-Offering transaction;
- f. provide or procure adequate firewall and anti-virus software on the e-Offer platforms to ensure that information provided by applicants on the platform is safe and secure;
- g. ensure that the Offer Documents and application page are complete, accessible, interactive and user friendly;
- h. ensure that the Offer Documents on the e-Offering platform are displayed or made available at the same time as they are made available to the public by the issuer;
- i. ensure that all information and announcements provided by the Issuer and the Issuing House(s) to the ESP, to be included on its e-Offering platform is in accordance with these Rules, are legible and in clear English language;
- j. in agreement with the relevant professional party(ies), immediately cease to accept applications through its e-Offering platform or website (as applicable) where the said platform fails to provide applicants with proper access to the Offer Documents;
- k. immediately disable its services once an offering closes, or where the ESP has any reason to believe that the e-Offering documents or processes for collection and handling of applications has been tampered with;
- l. provide access to information required by the Issuing House(s), the Issuer and the Sponsor (where applicable) to enable them monitor the e-Offering. Such information shall include the level of subscription and the volume the ESP processes during the period of the e-Offering;



- m. maintain offer subscription data for at least seven (7) years; and
- n. ensure that the following organizations are granted real-time access to the portal on the e-Offering through which information can be transmitted, downloaded or viewed:
  - (i) the Commission;
  - (ii) the Issuing House(s);
  - (iii) the Issuer;
  - (iv) the Sponsor (where applicable)
  - (v) the Registrar

(2) The Design of the e-Offering Platform shall:

- a. give applicants access to:
  - (i) general information regarding the Offer;
  - (ii) the application page; and
  - (iii) access to download, view and print the Offer Subscription Documents;
- b. include relevant contact information for technical support, frequently asked questions, queries and information in connection with the operation of the e-Offering platform or the ESP's website;
- c. provide for electronic online payment options which shall be seamlessly integrated with the e-Offering platform;
- d. allow integration with identity management systems such as the BVN database for the purpose of Know Your Customer verification;
- e. integrate with the depository to enable electronic crediting of approved allotments to subscribers' depository accounts
- f. permit subscribers to select a broker of their choice for the purpose of electronic crediting of approved allotment;
- g. provide mandatory information fields for applicants to supply:
  - (i) surname and other names in the case of individuals
  - (ii) full company name and registration number in the case of corporate investors



- (iii) Bank Verification Number (BVN) or any other biometric numbering system as may be approved by the Commission from time to time
  - (iv) bank name and account numbers of applicants
  - (v) mobile telephone number and or email address
- h. provide for the upload of Provisional Rights Allocation for Rights Issues by the relevant Registrar to the Issue;
- i. mandatorily require applicants and end-users to confirm the following before permitting submission of applications:
  - (i) that the applicant has been provided with sufficient opportunity to access the Offer Documents and the information disclosed therein;
  - (ii) that the applicant has read and agrees to be bound by the terms and conditions for using the platform and the offer documents;
  - (iii) that the information provided is to the best of the subscriber's knowledge, true and accurate in all material respects; and
  - (iv) that the applicant is legally eligible to participate in the offer.
- j. provide for an automated printable confirmatory message to be issued upon successful receipt of payment for subscription;
- k. permit applicants to print a copy of the relevant application page containing the details of information submitted by the applicant;
- l. not include any promotional message or statement which has not been approved by the Commission;
- m. include information relating to:
  - (i) the eligibility criteria for applicants;
  - (ii) relevant disclaimers and warnings informing applicants that any information outside the Offer Documents is not part of the public offer documents and the securities are offered solely on the basis of the information in the Offer Documents;





- (iii) instructions and information for applicants outlining the procedures and any requirements applicants must comply with in order to use the e-Offering platform;
  - (iv) the process /procedure an applicant shall follow to make a valid application, including the issuer's terms and conditions;
  - (v) the timetable for the offer; including deadlines for submission of applications and making payments;
  - (vi) the use of the e-Offering platform and a disclaimer to be approved by the Commission;
  - (vii) information on sources where the applicant may obtain additional information on the issuer; and
  - (viii) a statement to the effect that, the e-Offering platform belongs to the ESP (not the Issuer) and that, in using the e-Offering platform, the ESP is a service provider and an agent to the Issuer.
- (3) Other Matters
- a. All Offer Documents shall be in English and shall be accessible by hyperlink on the ESP's e-Offering platform and website.
  - b. The e-Offering platforms shall, in relation to the Offer Documents, allow applicants:
    - (i) search for defined expressions;
    - (ii) find information in the document and contain prompts which enable easy reading of the documents; and
    - (iii) zoom in and out of the documentation provided.
    - (iv) SEC Rule on Pre-offer waiting period (Fixed Offers) shall not apply to e-Offerings;

## **C. RULES ON TRANSMISSION OF SHARES**

### **1. Rules on Transmission of Shares:**



- a. The Registrar shall transmit the Letter of Administration to the Probate Registry within 24 hours of receipt of same for verification.
- b. The Registrar shall ensure that shares of a deceased are transmitted within one week of receiving the request from the Administrators/Executors subject to the availability of the following:
  - (i) Letter of Introduction from the Administrators/Executors, introducing themselves as the legal representatives of the Estate. The letter should also indicate the names, addresses, signatures and BVNs of the individual Administrators/Executors.
  - (ii) Original Death Certificate from the National Population Commission (NPC) for sighting.
  - (iii) Original probate letter or Letter of Administration for sighting or the Certified True Copy (CTC) from a Notary Public.
  - (iv) Copy of newspaper advert placed by the Court or Gazette.
  - (v) Any evidence of ownership of the investment i.e. CSCS statement(s) of the deceased, original share certificates, dividend stub or dividend warrants or bank statement(s) showing receipt of dividend(s) into the account(s) of the deceased.

## **2. Fees Chargeable for Transmission of Shares**

- a. Registrars shall charge fees for transmission of shares as follows:
  - (i) For a value of shares of N5 million and below - 1% of the value +5% VAT
  - (ii) For a value of shares above N5 million - 0.5% of the value subject to a maximum of N200, 000.00 +5% VAT
  - (iii) Fees chargeable for confirmation of Probate/Letter of Administration shall not exceed N12,000.00.

## **3. Replacements/Records Update**

- a. Registrars shall charge fees for the following transactions:
  - (i) Change of Address, Name, Mandate - not more than N100 per request.
  - (ii) Update of Signature Capture/Scanning - not more than N200 per signature.



- b. Any Registrar that violates the provisions of these Rules shall be liable to a penalty of not less than One (1) million naira and an additional sum of N20,000 for every day the violation persists.

#### **4. Turnaround Time for Replacement and Record Update:**

- a. The turnaround time for processing all requests for replacement and update from the date of submission of all relevant documentation shall be as follows:
- (i) Dematerialization (DEMAT) -three (3) working days.
  - (ii) Change of Address/Name/Mandate- two (2) working days (with complete documentation).
  - (iii) Update of Signature Capture/Scanning - twenty-four (24) hours.

## **2. SUNDRY AMENDMENTS**

### **LEGEND:**

- **Additions are in Bold and Underlined**
- **Deletions are struck through**

### **A. AMENDMENT TO RULE 39- ANNUAL REPORT**

#### **Full Text of the Existing Rule:**

- (1) The annual report to be filed with the Commission shall in all material facts comply with the relevant accounting standard. It shall also make disclosures of its unclaimed dividend fund with respect to bank balance, investments and earned income by way of notes to the audited accounts and other periodic reports filed with the Commission.
- (2) The annual reports shall be filed with the Commission, not later than ninety (90) days after the financial year end in line with the provisions of CAMA;
- (3) The chief executive officer and chief financial officer or officers or persons
- (4) performing similar functions in a public company shall in filing the annual account, attach a duly signed certification letter to the matters specified in section 60(2) of the Act;



- (5) The auditor to the public company shall be registered by the Commission in line with Section 62 of the Act;
- (6) The auditor of a public company shall in his audit report to the company issue a statement as to the existence, adequacy and effectiveness or otherwise of the internal control system of the company;
- (7) The annual report shall state the level of compliance of the public company with the Code of Corporate Governance for public companies as contained in schedule X of these rules and regulation.
- (8) Any company who fails to file its annual report with the Commission as in (1) above shall be liable to a fine of N1million and the sum of N25,000 for every day the default continues.

**B. Amendment to Rule 39 (2):**

The annual reports, **prepared in accordance with the International Financial Reporting Standard (IFRS)** shall be filed **simultaneously** with the Commission, **the relevant exchanges (where applicable) and placed on the companies' websites** not later than ninety (90) days after the financial year end. ~~in line with the provisions of CAMA.~~

**C. Amendment to Rule 39 (6):**

The annual report shall state the level of compliance of the public company with the ~~Code of~~ Corporate Governance **Guidelines** for **public companies as may be issued by the Commission from time to time and the Nigerian Code of Corporate Governance, 2018.**

**Amendment to Rule 39 (7):**

Any company ~~who~~ **that** fails to file its annual report with the Commission as in (1) above shall be liable to a fine of N1million and the sum of N25,000 for every day the default continues.

**D. Amendment: Creation of Sub-Rule (8)**

**A public company shall not later than thirty calendar days before the due date, apply for extension of time to file its audited financial**



**statement/annual report. Such application shall state the reason(s) for the inability to file within time and shall be supported with relevant documentary evidence. In granting the application for extension, the Commission may consider the following:**

- (a) **Occurrence of an unforeseen circumstance;**
- (b) **National emergency;**
- (c) **Intervention by a government regulatory agency.**

**E. Amendment: Creation of Sub-Rule (9)**

**A public company whose application has been granted for extension of time to file its audited financial statements under these rules, shall be required to publish a notification of its impending failure to file on the due date in a National newspaper and on the company's website. The reason(s) for the imminent failure to file shall be disclosed in the publications.**

**F. Amendment: Creation of sub-rule (10)**

**Where a public company fails to file its audited financial statements on or before the due date, the Commission may direct that trading on its shares be suspended and may impose any other sanction as it deems fit. Suspension of trading may also apply where a company has been granted an extension but fails to file at the expiration of the extension period.**

**G. AMENDMENT TO RULE 41(1)- QUARTERLY REPORT**

**Full Text of Existing Rule 41 (1):**

Public companies shall not later than thirty (30) days from the end of each quarter file with the Commission and simultaneously with the relevant securities exchanges and the investing public a quarterly report prepared in accordance with the International Financial Reporting Standard (IFRS).

**Amendment:**

Public companies shall not later than thirty (30) days from the end of each quarter simultaneously file with the Commission, the relevant securities exchanges **(where applicable) and post on the companies' websites,** a quarterly report prepared in accordance with the International Financial Reporting Standard (IFRS).

**H. AMENDMENT TO RULE 41 (4)- INTERIM FINANCIAL STATEMENT**



**Full Text of Existing Rule 41 (4):**

All public companies shall publish their "signed" quarterly balance sheet, income statement and cash flow statements in at least one (1) national daily. However, the accounting policies, notes and other relevant information shall be posted on the company's website which address shall be disclosed in the newspaper publication. The publication shall be signed by the officers mentioned in (3) above.

**Amendment:**

All public companies shall publish their signed quarterly balance sheet, income statement and cash flow statements in at least one (1) national daily newspaper. **Reference shall be made to the detailed financial statement** on the company's website which address shall be disclosed in the newspaper publication. The publication shall be signed by the officers mentioned in (3) above.

**I. AMENDMENT TO RULE 67(2)- RE-INSTATEMENT OF INDIVIDUAL SUB-BROKER FUNCTION**

**Full text of Rule 67 (2) for reinstatement:**

- (a) An application for registration as an individual sub-broker shall be filed on Form SEC 2 as provided in schedule III of these rules and regulations and shall be accompanied by the following:
  - (i) Certified copy of certificate of registration of business name (where applicable);
  - (ii) Evidence of minimum net worth of N500,000;
  - (iii) Sworn undertaking to comply with the provisions of the Act and the rules and regulations as may be required from time to time by the Commission;
  - (iv) Evidence of compliance with rule 20(4);
  - (v) Sworn undertaking to keep proper records and render returns.
  
- (b) Rule 83(3) and (4) shall, with all necessary modifications, apply in case of denial or suspension of registration of a sub-broker.

**J. DELETION OF RULE 190(1) AND 216(1)**

**Full text of existing Rule 190 (1) (a): Trading Rules**



All trading on the floor of an exchange shall be presided over by a chairman who shall be a senior management staff of an exchange and registered by the Commission. He shall preside over the daily trading sessions on the floor of an exchange and shall be bound in the performance of his duties by the rules of the exchange and the principles of equity and fairness required under the Act and these rules and regulations.

**Full text of existing Rule 190 (1) (b): Qualifications of the chairman**

The qualification of the chairman shall be as in rule 20 of these rules and regulations. In addition he shall possess a minimum of a diploma/certificate in computer science and one year practical experience in an electronic trading system.

**Full text of existing Rule 216 (1) (a): Trading Rules**

All trading on the floor of an exchange shall be presided over by a chairman who shall be a senior management staff of an exchange and registered by the Commission. He shall preside over the daily trading sessions on the floor of an exchange and shall be bound in the performance of his duties by the rules of the exchange and the principles of equity and fairness required under the Act and these rules and regulations.

**Full text of existing Rule 216 (1) (b): Qualifications of the chairman**

The qualification of the Chairman shall be as in rule 20 of these rules and regulations. In addition he shall possess a minimum of a diploma/certificate in computer science and one year practical experience in an electronic trading system.

**Amendment: Deletion of Rule 190 (1) (a): Trading Rules**

~~All trading on the floor of an exchange shall be presided over by a chairman who shall be a senior management staff of an exchange and registered by the Commission. He shall preside over the daily trading sessions on the floor of an exchange and shall be bound in the performance of his duties by the rules of the exchange and the principles of equity and fairness required under the Act and these rules and regulations.~~

**Amendment: Deletion of Rule 190 (1) (b): Qualifications of the chairman**



~~The qualification of the chairman shall be as in rule 20 of these rules and regulations. In addition he shall possess a minimum of a diploma/certificate in computer science and one year practical experience in an electronic trading system.~~

**Amendment: Deletion of Rule 216 (1) (a): Trading Rules**

~~All trading on the floor of an exchange shall be presided over by a chairman who shall be a senior management staff of an exchange and registered by the Commission. He shall preside over the daily trading sessions on the floor of an exchange and shall be bound in the performance of his duties by the rules of the exchange and the principles of equity and fairness required under the Act and these rules and regulations.~~

**Amendment: Deletion of Rule 216 (1) (b): Qualifications of the chairman**

~~The qualification of the Chairman shall be as in rule 20 of these rules and regulations. In addition, he shall possess a minimum of a diploma/certificate in computer science and one year practical experience in an electronic trading system.~~

**K. AMENDMENT TO RULE 300- PRE-OFFER WAITING PERIOD (FIXED PRICE OFFERS)**

**Full Text of Existing Rule 300:**

There shall be at least one-week pre-offer period before the opening of the offer. For the purpose of this rule, it shall be the period from the date of the execution of offer documents to the date an offer opens provided that where price is discovered through book building, this rule shall not apply

**Amendment:**

There shall be at least one-week **three (3) days** pre-offer period before the opening of the offer. For the purpose of this rule, it shall be the period from the date of the execution of offer documents **issue of the prospectus** to the date an offer opens provided that where price is discovered through book building, this rule shall not apply”.

**L. AMENDMENT TO RULE 302- APPLICATION FORM**





### **Existing Rule 302 to be Amended**

- (b) Applications shall be rejected for any of the following reasons and any allotments made contrary thereof shall be null and void:
  - ii. omission of signature;
  - vii. printed signature;
- (c) Photo/electronic copies of application forms shall be an acceptable mode of application provided that all instructions for completing the application form are complied with and signed normally by the applicant.

### **Amendment**

- b) Applications shall be rejected for any of the following reasons **(as applicable)** and any allotments made contrary thereof shall be null and void:
  - (ii) Omission of Signature/**Bank Verification Number**
- (c) Photo/electronic copies of application forms shall be an acceptable mode of application provided that all instructions for completing the application form are complied with and signed normally by the applicant.

**Provided that for an e-Offering, a Bank Verification Number (BVN) shall be provided in place of signature.**

### **M. AMENDMENT TO PART C (SCHEDULE I- SECURITIES OFFERING)**

#### **Existing Rule:**

#### ***Securities***

- |  |            |
|--|------------|
| (1) Application fee for registration of a Collective Investment Scheme, flat rate of | N35,000.00 |
| (2) Filing fee for registration of securities flat rate of                           | N10,000.00 |
- (1) The registration fees of securities of public companies (including rights issue) special funds and processing fees on offer for sale are as provided hereunder—



**Amendment to Sub (2):**

(2) (a) Filing fee for registration of securities flat rate of  
~~N10,000.00~~ N100,000.00

(b) In the event that an application is returned for being incomplete - a re-filing fee of N100,000 is applicable. This fee is payable by the Issuing House without recourse to the Issuer or the Issue proceeds

(c) Where the quality of filing, though complete, is found to be grossly deficient, the transaction shall be rejected and may only be re-filed after payment of a re-filing fee of N100,000.

**I. AMENDMENT TO PART N RULE 602- MISCELLANEOUS RULES**

**Full text of existing Part N Rule 602:**

Attendance at General Meetings of Securities Exchanges/other S.R.O.s, public companies, collective investment schemes, court-ordered meetings in mergers and take-overs.

1. All general meetings and completion meetings shall be held only on business days.
2. a. All public companies, collective investment schemes, securities exchanges/other S.R.O.s, issuers of public securities and merging companies shall officially invite the commission to their general meetings
- b. the notice of such meeting shall reach the commission not later than twenty (21) days before the date of the meeting;
- c. the Commission may send two representatives to the general meetings of the public companies and unit/ investment trust schemes;
- d. the representative of the Commission shall ensure proper conduct of the meeting and may intervene at the meeting to make clarifications on regulatory issues and matters touching on the Act and the rules and regulations.
3. a. All issuers of securities shall as a matter of policy invite the Commission to the completion board meeting for the signing of offer documents.
- b. the notice of such meeting shall reach the Commission not later than three (3) working days before the date of the meeting;



- c. the Commission shall send two representatives to the completion meeting for the purpose of monitoring compliance with the rules of the commission;
- d. the representative of the Commission shall ensure proper conduct of the meeting and intervene at the meeting to make clarifications on regulatory issues and others touching on the Act and the rules and regulations.

**Amendment: Creation of Sub-rule 4 and 5 as follows:**

- 4. **Public companies shall not distribute gifts to shareholders, observers and any other persons at all meetings of the company.**
- 5. **Public companies shall not convene any meeting with select group(s) of shareholders prior to any meeting of the company.**

**Any company that violates the provisions of (4) and (5) above shall be liable to a penalty of not less than N10,000,000 (Ten million naira only).**

**J. AMENDMENT TO RULES RELATING TO COMPLAINTS MANAGEMENT**

**Existing Rule 7(1):**

Complaints referred by capital market operators to relevant competent authorities shall be resolved within twenty (20) working days of receipt of the complaint.

**Amendment:**

Complaints referred by capital market operators **and public companies** to relevant Competent Authorities shall be resolved within twenty (20) working days of receipt of the complaint.

**MADE AT ABUJA THIS 14<sup>TH</sup> DAY OF OCTOBER 2019**

**SIGNED:**

**MARY UDUK**  
**Ag. Director-General**

**ENO OTUNBA-PAYNE**  
**Ag. Secretary to the Commission**