

September 9, 2019

FMDQ/MRG/090919/MB-36

To: ALL REGISTRATION MEMBER (QUOTATIONS)
From: MARKET REGULATION GROUP

COMPLIANCE WITH THE FMDQ COMMERCIAL PAPER REGISTRATION AND QUOTATION RULES

Having observed the persistent violation of some of the provisions of the [FMDQ Commercial Paper Registration and Quotation Rules – August 2019](#) (the “Rules”), this Market Bulletin hereby serves as a reminder to all Registration Member (Quotations) (“RMQs”) of FMDQ Securities Exchange PLC (“FMDQ”) of the need to ensure strict adherence to the Rules.

Amongst other provisions of the Rules, RMQs are particularly reminded of the need to ensure compliance with the following Sections of the Rules outlined in Appendix 1. Please note that further violation of the Rules may result in appropriate sanctions being meted against your institution.

Please be guided accordingly.

APPENDIX 1: REGISTRATION, PRE-ISSUANCE AND QUOTATION REQUIREMENTS

S/N	CONDITIONS FOR THE REGISTRATION OF COMMERCIAL PAPERS	Section
1.	The maximum aggregate nominal amount and value of all Commercial Papers (“CPs”) outstanding under a registered CP Programme, at any given time shall not exceed the Programme size approved by FMDQ. The maturity period of such outstanding CPs shall also be subject to the validity of the Programme.	3.1 (viii)
2.	The minimum size of a CP Issue (Discreet ¹ or under a Programme) shall be ₦100,000,000.00 (one hundred million naira) and in multiples of ₦50,000,000.00 (fifty million naira) thereafter or its equivalent for foreign currency CP Issues rounded to the nearest thousand.	3.1 (ix)
3.	Where a minimum level of subscription for an Issue is not stated in the Offer Documents, the minimum subscription level shall be 50% of the amount approved by the Issuer/Promoter’s Board of Directors (where applicable).	3.3 (ii)
4.	Where the level of subscription is below the minimum level as stated in section 3.3 (i) or below 50% of the Issue approved by the Issuer/Promoter’s Board of Directors as stated in section 3.3 (ii), the IPCA/IPA, shall prior to allotment, provide a signed attestation that investors have been made aware of this fact, failing which, the issue shall be aborted.	3.3 (iii)
5.	Where a guarantor’s credit rating is downgraded below investment grade, the Issuer/Promoter shall be required to replace the guarantor with another eligible guarantor within five (5) business days.	3.5 (v)
6.	Clean CPs shall be sold to Qualified Institutional Investor (“QIIs”) and Eligible Investors (“EIs”).	3.9 (i)
7.	Guaranteed CPs, may however, be sold to QIIs, EIs and any other investors.	3.9 (ii)
QUOTATION OF COMMERCIAL PAPERS		
8.	The IPCA ² /IPA ³ shall notify FMDQ of the Discreet Issue/CPs sought to be issued under the Programme no later than twenty-four (24) hours prior to the opening of the offer . Such notification shall include the following details: Amount on offer, minimum level of subscription (if applicable) offer open/ close dates and settlement dates, amongst others.	7.2
9.	Following the close of the offer, the Sponsor shall provide all documentation outlined in Appendix III of the FMDQ Commercial Paper Registration and Quotation Rules no later than five (5) business days from Settlement Date of the Issue.	7.3
10.	Prior to the approval of the Quotation of the series under a registered CP Programme or Discreet Issue, the CP shall be registered and lodged with a CSD recognised by FMDQ. Upon registration, an ISIN code shall be assigned in respect of the CP.	7.8
DUTIES AND OBLIGATIONS OF THE IPCA/IPA AND CPA		
11.	The IPCA shall ensure that any Eligible Investor seeking to purchase CPs in the secondary market execute the declaration in the form set out in Template I of the Template Guide before investing in the CP.	11.2
12.	The IPCA/IPA shall submit an allotment report within two (2) business days of settlement in the manner provided in Template IX of the Template Guide.	11.9

¹ means a single CP issuance which is not established under a CP Programme

² Issuing, Placing, Paying and Collecting Agent

³ Issuing and Paying Agent