

A. RULE ON INFRASTRUCTURE FUNDS

1. DEFINITION

For the purposes of this Rule, unless the context otherwise requires-

“Hurdle Rate” means the minimum rate of return on investment necessary to cover all costs associated with the Fund;

“Infrastructure Capital Company” means a company or companies whether private or public that provides capital/funding primarily for infrastructure development;

“Infrastructure Company” means a company or companies whether private or public that has technical experience and expertise in infrastructure development and engages primarily in infrastructure development. This does not include any company that engages in infrastructure development as part of its corporate social responsibility;

“Infrastructure Fund” means a specialized Fund or Scheme that invests primarily (minimum 90% of scheme’s net assets) in the securities or securitized debt instrument of:

- a) infrastructure companies; or
- b) infrastructure capital companies; or
- c) infrastructure projects; or
- d) special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure, and
- e) other permissible assets including revenue generating projects of infrastructure companies or projects or special purpose vehicles.

“Interval Period” means the period/interval of one month within which an Infrastructure Fund is open for purposes of redemptions and new subscriptions. An interval period may occur more than once in the life of an interval scheme;

“Interval Scheme” means a collective investment scheme that is close-ended but is made open-ended for an interval period within which redemptions may be made and new subscriptions received;

“Permissible Assets” means securities and/or securitized debt instruments of infrastructure capital companies, infrastructure companies, infrastructure projects, and infrastructure-related special purpose vehicles; it also includes completed and income generating infrastructure projects, infrastructure company projects and infrastructure special purpose vehicle;

“Other Permissible Assets” means money market instruments, fixed income securities and equities, convertibles including mezzanine financing instruments of companies engaged in infrastructure, infrastructure development projects, whether or not listed on a recognized stock exchange in.

2. Applicability

- (1) The provisions of these rules shall apply to Infrastructure Fund constituted as collective investment schemes.
- (2) All other provisions of these rules and regulations unless the context otherwise requires, shall apply to Infrastructure Schemes, trustees (as the case maybe) and Fund Management Companies.

Provided that all other relevant provisions of the Rules and Regulations particularly rules relating to Collective Investment Schemes shall apply to Infrastructure Funds and in the event of any conflict, the provisions of this part shall prevail.

3. Eligibility criteria for Infrastructure Fund

- (1) An infrastructure fund may be registered with the Commission where the Fund Manager has a minimum of two (2) key personnel having relevant experience in the infrastructure sector.

- (2) An approval of registration may be granted under these Rules to an applicant proposing to establish an Infrastructure Fund where the sponsor or the parent company of the sponsor:
 - (a) has been carrying on activities or business in infrastructure financing sector for a period of not less than five years; and
 - (b) fulfils eligibility criteria for registration as a fund manager as provided under these Rules.

4. Conditions for Establishing Infrastructure Fund

- (1) An infrastructure fund may be an open or close-ended scheme with a minimum tenor of seven (7) years or an interval scheme with lock-in of five years and interval period not longer than one month as may be specified in the scheme information document.
- (2) Units of an infrastructure fund may be listed on a recognized exchange, provided that such units shall be listed only after being fully paid up and provided also that this shall not apply to infrastructure funds that are established as private equity funds.
- (3) Where an Infrastructure Fund is to be publicly offered it shall state an approximate time of listing and be allowed to buy back units of the scheme from the market up to 20% of the initial unit during the life of the fund.
- (4) An Infrastructure Fund shall disclose the indicative portfolio of the Fund to its potential investors stating the type of assets the Fund would invest in.
- (5) An Infrastructure Fund shall disclose the minimum number of units an investor can subscribe for.

5. Issuance of Units

An Infrastructure Fund may issue units to the investors, subject to the following conditions:

- (a) The Fund Manager shall call for the unpaid portions depending upon the deployment opportunities;
- (b) The offer document of the scheme shall disclose the interest or penalty which may be deducted in case of non-payment of call money by the investors within the stipulated time; and

(c) The amount of interest or penalty shall be retained in the scheme.

6. Permissible investments

(1) An Infrastructure Fund shall invest at least 90% of its assets in the securities or securitized debt instruments of infrastructure companies or projects or special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure in respect of revenue generating projects of infrastructure companies or special purpose vehicle.

(2) Subject to sub (1), an Infrastructure Fund may invest in equities, convertibles including mezzanine financing instruments of companies engaged in infrastructure, infrastructure development projects, whether or not listed on a recognized stock exchange in Nigeria; or money market instruments, structured loans and bank deposits for liquidity purposes to cover costs and/or other expenses associated with the Fund operations.

(3) The investment restrictions shall be applicable throughout the life-cycle of the Infrastructure Fund and shall be reckoned with reference to the total amount raised by the Fund.

(4) An Infrastructure Fund may invest up to 70% of its net assets in the securities or assets of any single infrastructure company or project or special purpose vehicle which is created for the purpose of facilitating or promoting investment in infrastructure in respect of revenue generating projects of any single infrastructure company or project or special purpose vehicle.

(5) An Infrastructure Fund shall not invest more than 30% of its net assets in debt instruments of any single infrastructure company or project or special purpose vehicles which is created for the purpose of facilitating or promoting investment in infrastructure in respect of completed and revenue generating projects of any single infrastructure company or project or special purpose vehicle, which is rated below investment grade or unrated;

Provided that such investment limit may with good cause, be extended up to 50% of the net assets of the scheme, with the prior approval of the Trustees, the Fund's Investment Committee and the board of the Fund Manager as applicable.

Provided, that the provisions of sub 4 and 5 shall not apply where a fund was established for a specific project, company or purpose.

- (6) An Infrastructure Fund shall invest not less than 80% of its net assets in infrastructure companies, infrastructure capital companies and infrastructure projects of special purpose vehicle in Nigeria.
- (7) No Infrastructure Fund shall invest in:
- (i) Any unlisted security of the sponsor, Fund Manager or its associate or group company;
 - (ii) Any listed security issued by way of private placement by the sponsor, Fund Manager or its associate or group company;
 - (iii) Any listed security of the sponsor, Fund Manager or its associate or group company in respect of completed and revenue generating projects of infrastructure companies or special purpose vehicles of the sponsor or its associate or group companies, in excess of 25% of the net assets of the scheme, subject to approval of the Trustees and full disclosures to investors for investments made within the aforesaid limits.

7. Valuation of assets and declaration of net asset value

- (1) The assets held by an Infrastructure Fund shall be valued "in good faith" by the Fund Manager on the basis of appropriate valuation methods based on principles approved by the Trustees.
- (2) The valuation shall be documented and the supporting data in respect of each security so valued shall be preserved at least for a period of seven (7) years after the expiry of the scheme.

- (3) The methods used to arrive at values 'in good faith' shall be periodically reviewed by the Trustees or Fund Manager, and annually by the statutory auditor of the Fund.
- (4) The valuation policy approved by the board of the Fund Manager shall be disclosed in the Fund information document.
- (5) The net asset value of every Infrastructure Fund shall be calculated and declared semi-annually.
- (6) The valuation parameters such as interest rate, inflation, GDP growth, forex rate, etc shall be disclosed to the investors annually;
- (7) The fund shall engage a SEC registered consultant to value the assets semi-annually.

The consultant shall be replaced every three years as a matter of good corporate governance practices.

8. Fees and Expenses

- a. Management fees: shall not exceed 2% per annum of the assets under management.
- b. Performance fee/carried interest/incentive fee: may only be charged once the fund has delivered the hurdle or base rate of return disclosed. This shall not exceed 20% of the profit generated by the Fund in excess of the hurdle rate.

9. Duties of the Fund Manager

The duties of the fund manager of an Infrastructure fund shall be as prescribed by these Rules and in addition include the following:

- (1) Laying down an adequate system of internal controls and risk management.
- (2) Exercising due diligence in ensuring the maintenance of the assets of an Infrastructure Fund and shall ensure that there is no avoidable deterioration in its value.
- (3) Recording the details of its decision making process in buying or selling infrastructure companies' assets together with the justifications for such decisions and forwarding same quarterly to the Trustees.

- (4) Ensuring that investment of funds of the Infrastructure Fund is not made contrary to provisions of these Rules and the trust Deed (or other constituent document of the Fund).
- (5) Obtaining, wherever required under these Rules and Regulations, prior in-principle approval from the recognized exchange(s) where units are proposed to be listed.
- (6) Instituting such mechanisms as to ensure that proper care is taken for collection, monitoring and supervision of the assets by appointing a service provider having extensive experience thereof, if required.

10. Disclosures in offer document and other disclosures

- (1) The Offer document of an Infrastructure Fund shall contain the requisite disclosure information for a Prospectus of a Unit Trust Fund or Private Equity Fund as the case may be. In addition it shall also contain other relevant disclosures, specific to the project, which are adequate for investors to make informed investment decisions and such further disclosures as may be specified by the Commission from time to time.
- (2) The hurdle rate or minimum rate of return shall be disclosed in percentage terms.
- (3) The portfolio disclosures and financial reports shall contain such further disclosures as may be specified by the Commission from time to time.
- (4) The exit strategies of the Fund shall be disclosed.

11. Transactions by employees etc.

- (1) The persons covered in sub (2) shall obtain the views of the Trustees (if any) before entering into the transaction in the investee companies, by making a suitable request to the Trustees. In the case of a proposed transaction by the Trustees such request shall be made to the Fund Manager.
- (2) All transactions done by the Trustees or the employees or directors of the Trustees or Fund Manager in the investee

companies shall be disclosed by the relevant party to the compliance officer within one month of the transaction.

- (3) The compliance officer shall make a report thereon from the view point of possible conflict of interest and shall submit it to the Trustees (in the case of a Trust) or board of the Fund Manager with his recommendations, if any.

13. Reporting

- (1) The manager of an Infrastructure Fund shall submit quarterly returns of the Funds activities to the Trustees and the Commission in the required format.
- (2) An Infrastructure Fund shall be audited annually and such reports filed with the Commission within three (3) months of the Fund's year end.
- (3) Fund's annual report or abridged summary thereof shall be sent to investors in electronic form on their registered e-mail addresses immediately upon approval by the Commission.
- (4) The fund manager shall display the link to the Fund's full annual reports prominently on its website.

B. RULES ON APPROVAL OF FOREIGN COLLECTIVE INVESTMENT SCHEMES

Definition of Foreign CIS: a collective investment scheme authorized in another jurisdiction.

1. A foreign CIS soliciting for investment from investors in Nigeria shall be subject to approval by the Commission.
2. **Eligibility:**
 - a. A foreign CIS applying for approval of the Commission shall be registered and/or authorized under the relevant foreign jurisdiction;
 - b. The operators of the foreign CIS shall be registered and regulated by the relevant foreign regulator;

- c. The relevant foreign regulator shall be a member of IOSCO, have adopted global standards for securities regulation and must have substantially met the IOSCO CIS principles;
- d. If the Fund is listed it shall be listed and traded on an exchange which has standards of disclosure at least equivalent to those of the Nigerian Exchanges;
- e. The Fund shall comply with the same requirements and investment restrictions imposed on similar Funds constituted and primarily regulated in Nigeria;
- f. The legal and regulatory framework governing the Fund and the enforcement of investors' rights shall provide a level of investor protection at least equivalent to that offered in Nigeria;
- g. A foreign CIS which will not be listed in Nigeria shall invest not less than 20% of the Fund's total asset in Nigeria.

3. Appointment of the representative

- a. The foreign operator shall appoint a representative in Nigeria for the life of the Fund approved in Nigeria.
- b. The representative shall be an affiliate of the foreign operator duly incorporated in Nigeria and registered with the Commission and referred to as the representative office, or a fund manager duly registered with the Commission with whom it shall enter into a representative agreement.

4. Duties of the Representative

A Representative of a foreign CIS shall perform duties not limited to the following:

- a. Market the Fund to investors through available distribution channels, and ensure that marketing and distribution are in compliance with the ISA and the rules and regulations made thereunder;
- b. Keep a register of unit holders and update their information and particulars;
- c. Ensure that offer documents are made available to investors before units are sold and for inspection in its offices;
- d. Ensure that the Fund's unit price and Net Asset Value per unit is readily available (displayed in its office and website), except in the case of:

- i. A listed closed-end Fund;
 - ii. A listed Real Estate Investment Trust
 - iii. Exchange Traded Fund
- e. Report to unit holders on a timely basis the distribution of the Funds annual returns and any periodic reports and issuance of all notices. These must also be made available on the representative's website;
- f. Ensure Issuance of all notices to unit holders on timely basis.
- g. Accept any notice/correspondence including services of process which a unit holder may wish to serve on the Fund or the foreign operator;
- h. Supply to the Commission details of all contracts between the Representative and the Fund and foreign operator. The Commission shall also be notified of subsequent amendments to these contracts.

5. Documents to be submitted

An application for the approval of a foreign CIS shall be submitted by an Issuing House and accompanied by:

- a. A copy of the approval of the foreign Scheme by the relevant foreign regulator.
- b. A copy of the registration or approval of the operators of the Scheme by the relevant foreign regulator.
- c. A letter of confirmation by the authorizing foreign regulator stating that the operator is fit and proper to operate a Scheme, actively conducts a Scheme in that Country, and is permitted to promote its Scheme in a foreign jurisdiction.
- d. A copy of the representative agreement.
- e. Copies of any foreign promoters' agreement, existing prospectus, Trust deed (where applicable) as well as the most recent audited financial statements of the Fund.
- f. An Offering document (supplementary prospectus or information memorandum) containing information specifically targeted at Nigerian investors.

6. Disclosure Requirements

A foreign CIS Offering document shall disclose the following minimum information:

- a. There shall be set forth on the outside front cover a liability statement holding the parties liable for any false or misleading statement, or omission of material fact in the document.
- b. A statement that the Fund is a foreign collective investment scheme approved by the Commission to solicit for investment in Nigeria and that the offering document has been filed with the Commission.
- c. Details of the structure of the scheme, (that is whether founded as a trust, a company, or any other type of entity), including the stated objectives, the investment policy and the ownership to be acquired by investors in relation to such scheme;
- d. The target investors;
- e. The risks related to investment in the scheme.
- f. The borrowing powers of the scheme and whether its assets may be encumbered in any way;
- g. Whether the scheme employs a third party that is not an associate of any other party involved in the scheme, to act as trustee or custodian. The manner in which assets are safeguarded and monitoring of the schemes regulatory compliance;
- h. The charges levied on investors and the basis of calculation thereof;
- i. If any investment is offered by the scheme and the regulatory requirements applicable to such scheme differ from those applicable in Nigeria, full details of such differences must be disclosed in any price list, advertisement, marketing material, application form or similar document, including the fact that the scheme has to comply with different requirements in respect of:
 - i. investment of its own resources in the scheme;
 - ii. any limit imposed on the scheme as regards investment in individual underlying assets;
 - iii. investment in derivative instruments;

- iv. the expenditure that may be charged against or deductions that maybe made from the income of the scheme; and
- v. taxation of the scheme;

- j. The policy of the scheme regarding investment in listed instruments or in unlisted instruments as well as the manner in which the market value of unlisted instruments is determined;
- k. The name and address of the auditor of the scheme;
- l. The nature and frequency of reports that are furnished to investors and regulators;
- m. The manner in which a distribution to the investor and any capital gain or loss accruing to the investor will be taxed in the country of origin of the scheme and Nigeria;
- n. Details of how the interests of Nigerian investors are protected including but not limited to redemptions, accessibility to information about the Fund's operations and other disclosure issues relevant to the Nigerian investor.

7. Other requirements

Changes in the scheme shall be approved by the Trustees (where applicable) and the Commission.

8. Reporting

- a. The operator of a foreign CIS shall ensure that all return/reports made to its home regulator are filed with the Commission through its representative.
- b. The Representative of a foreign CIS shall submit to the Commission quarterly reports on the net sales and redemption in Nigeria (in case of open-ended Funds).

9. Cancellation/Revocation of Approval

- a. The approval of a foreign scheme shall be cancelled where :
 - i. any representative agreement is cancelled. The parties to the agreement shall notify the Commission immediately in

- writing and cease to promote any investment offered by the scheme concerned ; or
- ii. the operation of a representative office is discontinued. In that instance the head of the representative office shall immediately notify the Commission in writing;

Provided, however that where a representative agreement is cancelled a new agreement may be entered into with another representative, subject to the approval of the Commission.

- b. Approved foreign scheme shall be revoked if the Commission receives any notification in terms of a above and which status is not regularized within three months;
- c. Approved foreign CIS shall be revoked where it is determined that a foreign CIS or its Operator or Representative no longer satisfies the requirements of these rules.

SUNDRY AMENDMENTS

C. Registration Requirements of Capital Market Trade Groups as Self- Regulatory Organizations (SROs) (Rule 277)

1. Under Sub (1) “**form 5D**” is amended to read “**form 5A**”.
2. Under Sub C “**Copy**” is amended to read as follows:
“Two copies of the constitution of the Associations, existing or proposed by-laws, rules or code of conduct of the Trade Association...”
3. **Sub (O)** is amended to read as follows:
“Any other document/information required by the Commission from time to time”.
4. The following requirements is included in **Rule277 Sub (1)**
 - (k) Evidence of payment of N5, 000 being application fee;
 - (l) Evidence of payment of N100,000.00 being registration fee for the Association and N10,000 for each of the Sponsored Individual;

- (m) 2 set of completed Form S.E.C. 5A to be filed by the Association;

D. Rules on Registration of Capital Market Operators (Part C)

The following is included into the registration requirements of Capital Market Operators:

- i. The Managing Director/Managing Partner of the applicant company shall be one of the Sponsored Individuals of the company.
- ii. Directors and Principal Officers shall complete Form SEC 2, forward their Curriculum vitae (CV) and evidence of identification (International passport, Driver's License, tax or utility payment documents).

E. Amendment to Rule 27 Fidelity Bond

1. **Rule 27 is amended to read as follows:**

“Every Registered CMO whether a Corporate body or consultants shall provide and maintain a Bond or Professional Indemnity Insurance Policy which shall be issued by an insurance company acceptable to the Commission against theft/stealing, fraud, defalcation, or dishonesty covering each officer, employee and sponsored individual of the CMO”.

2. **Rule 27(1)** is amended to include the following provision:
“Where such a corporate body/company is an insurance Company, the fidelity bond shall be issued by another insurance Company”.

F. Rule for the transfer of function(s)

Rule 45 is amended by creating a new **sub (b)** which stipulates the requirements for a holding company that intends transferring its registered capital market function to its subsidiary to read as follows:

“Where a holding company is transferring its registered capital market function to a subsidiary, the following Requirements shall apply:

- i. The transferee company shall show Compliance with the registration requirements of the concerned function as stated in the provisions of these Rules and Regulations.
- ii. The transferor shall give detailed Reasons for the transfer.
- iii. The transferor (company) shall submit its latest Audited Accounts.
- iv. Evidence of NSE approval license for the transferor (if Broker/Dealer functions).
- v. Business Plan of the transferee company.
- vi. Shareholders and Board Resolutions of the transferor company transferring its function to the transferee company.
- vii. Shareholders and Board Resolutions of the transferee company accepting the transfer of the function from the transferor company.
- viii. An agreement from the transferee company to take over all the clients of the transferor company with their outstanding liabilities as it relates to the function.
- ix. An agreement between the transferor and the transferee in respect of the transfer of the function.

G. Rule for potential Sponsored Individuals to attend capital market training before attending Registration Committee Meeting

A new provision is added to **Rule 19** as sub (5) to read as follows:

“All sponsored individuals are required to have attended capital market training, in an institution recognized by the Commission, and provide evidence to that effect before attending any registration meeting”.

H. Rule 178: Registration Requirement for Capital Market Expert and Professionals (Part D)

Rule 178 (2B)(4) (b) is amended to read as follows:

“Professional Indemnity Insurance Policy for Capital Market Consultant representing 20% of minimum net worth”.

I. Rule for “Time limit for filing documents/transfer of sponsored individual”

Rule 19(4) is amended to include the following provisions:

- i. Where an applicant refuses or neglects to respond to a deficiency letter for a period of up to 6 months, such applicant shall be required to re-start the registration process.
- ii. The registration of a registered sponsored individual who resigns or whose appointment is terminated and has not transferred his registration to another registered Capital Market Operator within a period of twelve (12) months, shall cease to exist.

J. Rule 401 (Filing of notice by directors and other insiders upon sale or purchase of their shares in the company)

Rule 401 is amended by the creation of a new sub **(b)** to read as follows:

“Where the purchase of shares on behalf of a nominee is related to an insider it should be disclosed to the Commission within 48hrs by the Director so involved and the nominee account manager”.

K. Amendment to the Rules 394

Securities Lending Rule **394(7)**, *Obligations and Responsibilities of Lending Agents*, is amended by the creation of a new **sub (7)(i)** to read as follows:

“The Lending Agent shall be subject to and abide by any Rules and Regulations or Code of Conduct which may from time to time be issued by a recognized Exchange to regulate the Lending Agent’s activities of securities lending and borrowing”.

L. Amendment to Rule 42 (Half yearly Returns) on tenure of Audit Committee Members

- i. **Rule 42(5)** is amended by the creation of a new **sub(5)(b)** to read as follows:

“Membership of an Audit Committee shall be for a term of three (3) years, subject to good performance;
Provided, that such Member shall not be eligible for re-election until the expiration of 3 years after his previous term”.

- ii. **Rule 42(5)** is amended by the creation of a new **sub (5)(f)** to read as follows:

“Any public company that violates any provision of these Rules and Regulations shall be liable to a penalty of not less than N100, 000 and a further sum of not more than N5, 000 for every day of default”.

M. Amendment to Schedule VIII, Rules of procedure of SEC Administrative Proceedings Committee.

Rule 10(c) is amended by deleting “**or matters**” to read as follows:

“This Rule shall not apply to matters initiated by the Commission ~~or matters~~ involving manipulation, insider dealing and any other serious violations to be determined by the Commission from time to time.

N. Rules on Earning Forecast pursuant to Section 64 of the ISA

Rule 40 relating to earning forecast is amended to read as follows:

1. Public listed Companies may disclose to the relevant securities exchanges their quarterly earnings forecast.
2. Where public listed companies disclose their quarterly earnings forecast:
 - a. The forecast shall be in line with the company’s policy and securities exchange listing requirements;

- b. Underlying assumptions that formed the bases of the forecast shall be disclosed;
- c. The forecast shall be certified by the chief executive officer and chief financial officer or officers or persons performing similar functions in the company;
- d. A public company shall notify the relevant securities exchanges as soon as it is known that the forecast will not be realized and the reasons for the non-realization shall be stated;
- e. A public company upon the request by the Commission shall disclose their quarterly earnings forecast to the Commission.

O. Rules on Take- over bids pursuant to section 131 of the ISA
Rule 445(1) is amended to read as follows:

- a) No person shall acquire, through a series of transactions or otherwise, more than 30% of the shares of a public quoted Company without making a bid.
- b) Where an existing shareholder, together with persons acting in concert, holds not less than 30% but not more than 50% of the shares of a company acquires additional shares, such person(s) shall make a takeover bid to the other shareholders of the company.
- c) A takeover made in violation of sub rules (a) and (b) shall be void.
- d) The foregoing provisions shall not apply:
 - i. Where an ailing company undertakes a private placement which results in the strategic investor acquiring more than 30% of the voting rights of the company;
 - ii. An acquisition or holding of or entitlement to exercise or control the exercise of more than 30% voting shares of a company by an allotment made in accordance with a proposal particulars of which were set out in a prospectus where:
 - a. The prospectus was the first prospectus for the initial public offer of voting shares issued by the company;

- b. The person who acquired the voting shares was a promoter in respect of the prospectus and the effect of the acquisition on the person's voting power in the company has been disclosed in the prospectus;
- c. The prospectus has been registered with the Commission.
- iii. An acquisition of shares or rights over shares which would not increase the percentage of the voting rights held by that person e.g. if a shareholder takes up his entitlement under a fully underwritten rights issue.
- iv. Convertible securities.

P. Amendment to the Code of Corporate Governance for Public Companies

1. Under **Section 1**, Rule **1.3(a)** is amended by deleting “***the code is not intended as a rigid set of rules***”. The provision to **Rule 1.3 (a)** shall now read as follows:

“The Code is expected to facilitate sound corporate practices and behavior. It should be seen as a dynamic document defining minimum standards of corporate governance expected particularly of public companies with listed securities”.
2. New provisions were added to **Rule 1.3** of the Code to read as follows:
 - g. “Compliance with the provisions of this code shall be mandatory”.
 - h. “Any Company/Entity that violates the provisions of this Code shall be liable to a fine of N500, 000.00 at the first instance and a further sum of N5, 000.00 for every day the violation persists and or any other sanction as the Commission may deem fit in the circumstance”.

Q. Amendment to Rule 328: Basis of Allotment

Rule 328 of the Rules and Regulations is amended to include a new sub (2) to read as follows:

“In the case of a Rights Issue, the allotment of the renounced shares shall be pro-rated on the basis of additional shares applied for by eligible shareholders, as stated by the rights circular.”

R. Amendment to Rule 56 functions of Broker/Dealer

Rule 56 1 & 2 (c) is amended by deleting “**N50 million**” and replacing it with “**500,000 units**” to read as follows:

“....disclose to the Commission any dealings in a security valued at a minimum of 500,000 units executed in a single deal or in multiple deals on the same day.....”.

S. Rule to Increase fees for Sponsored Individuals

1. **Schedule 1 Part A**

Initial Registration fee for **sponsored individuals** is amended from **N1, 000** to **N10, 000**.

2. **Schedule II**

Re-appearance fee, for failure to appear at registration interview, is amended from **N1, 000** to **N10, 000 i.e.** “equivalent amount of the registration fee for the function applied for”.

3. **Schedule II**

Transfer fee is amended from **N1, 000** to **N20, 000**