

## MARKET CIRCULAR

**To:** Participating Institutions  
**From:** Market Operations  
**Date:** 16 July 2019  
**Subject:** EXPIRATION OF VALUE ADDED TAX – EXEMPTION OF COMMISSION ON STOCK EXCHANGE TRANSACTIONS

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In reference to the expiration of the exemption of commissions on Stock Exchange Transactions granted by the coordinating Minister for the Economy and Honourable Minister of Finance in 2014 ((See, Official Gazette of the Federal Republic of Nigeria: No. 95, Vol. 101 issued on 30 July 2014).

Please note that effective 25 July 2019, VAT is to be charged on all commissions applicable to capital market transactions which includes Commissions –

- a. earned on traded value of shares
- b. payable to the NASD OTC Securities Exchange
- c. payable to the Central Securities Clearing System

Please note that the CSCS will automate the deduction of VAT charged on the commissions payable to the NASD and the CSCS.

While we await further directives emanating from ongoing engagements with the Federal Government on the issue, kindly take this as a notice to resume deduction of VAT on commissions applicable to capital market transactions referred to above effective **July 25, 2019**. We shall notify the market of any new developments.

We thank you for your cooperation in this regard and look forward to a smoother and more transparent OTC market.

Best Regards

**NASD PLC.**

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