

## MARKET CIRCULAR 34

**To:** Participating Institutions  
**From:** NASD OTC Securities Exchange  
**Date:** September 23, 2019

**Circular Number 34: NEGOTIATED DEALS ON NASD OTC SECURITIES EXCHANGE**

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To improve transparency and price discovery on the OTC market, NASD sets out these guidelines on the execution of Negotiated Deals on securities newly admitted to the NASD OTC Securities Exchange.

### Definition

**“Negotiated Deal”** - A transaction whose price is different from the prevailing price on the NASD OTC Securities Exchange and has been agreed to by a buyer and seller.”


The following guidelines shall regulate the execution of Negotiated Deals on the NASD OTC Securities Exchange:

### 1. New Admissions

- 1.1. Where the newly introduced security is accompanied by a valuation sheet prepared by an independent party, Negotiated Deals can be executed *only* after three (3) months of entry to the OTC market.
- 1.2. Where the newly introduced security is accompanied by a valuation sheet prepared by a related party, Negotiated Deals can be executed *only* after six (6) months of entry to the OTC market.
- 1.3. Admitted securities shall be included in the NASD Securities Index (NSI) only after 6 months of entry to the NASD OTC Securities Exchange.

### 2. Post Admission/Currently Admitted Securities

- 2.1. NASD reserves the right to decline a Negotiated Deal request following a consideration of several factors including but not limited to value of transaction, frequency of transaction and market information.
- 2.2. Any deals negotiated outside the prevailing price band will attract additional administrative costs to be estimated based on the volume and value of the transaction.
- 2.3. Negotiated Deals priced outside the prevailing price band can be executed by following the procedure below:
  - a. download and complete NASD Form 7a, 7b or 7c (as applicable) from our website ([http://www.nasdaq.com/process/form\\_downloads](http://www.nasdaq.com/process/form_downloads)).
  - b. the forms must be signed by the Chief Executive officer and the Compliance officer of the Participating Institution and returned to NASD - together with;

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- c. A signed client mandate (Buy and Sell) that clearly states that your client(s) is (are) aware of the market opening price as at the date of the Negotiated Deal.

### **3. High Volume Trades**

High Volume Trades are trades in equities which represent more than 5% of the total issued capital of the company's shares.

- 3.1. Pl's are required to obtain the written consent of NASD in order to execute High Volume Trades, i.e. pre-approval is required.
- 3.2. An application to execute a High Volume Trade shall be accompanied by:
  - a. Application letter highlighting the rationale behind the transaction, pricing and beneficial holding of the securities prior to and after executing the transaction; and
  - b. Completed NASD Form 7 (buyer and seller mandates).
- 3.3. NASD shall communicate its decision on the Application within forty-eight hours (48) of receiving the completed Application.

For further enquiries, please contact us at [info@nasdng.com](mailto:info@nasdng.com) or 01 460 5008.

Thank you.

#### **NASD PLC**

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