

Definitions of terms used in the Rules

Except as otherwise defined, the following terms used in these Rules shall have the meaning ascribed to them below:

“Control” or “controlling Interest” “under these Rules, a Party shall be considered as having control of or controlling interest in the other Party when it has ownership of or beneficial interest in either fifty percent or more of the total voting rights, capital or profit.

“Commission” means the Securities and Exchange Commission

“Nominal Transfer” means the transfer of unlisted public securities between a Transferor and Transferee who are related or connected parties with no exchange of money or consideration for the transfer.

“Party” means either the Transferor or the Transferee

“Parties” means the Transferor and the Transferee

“Transferor” means the person or corporate entity with title or ownership in the unlisted public securities to be transferred.

“Transferee” means the person or corporate entity to whom title or ownership in the unlisted public securities is to be transferred.

1. Securities of all unlisted public companies must be traded/transferred on a securities exchange recognised by the Commission in line with the provisions of the Commission’s Rule on Trading in Unlisted Public Securities.
2. Applications for nominal transfer shall be made to NASD through registered Participating Institutions who shall undertake proper due diligence/Know Your Client checks on the Parties.
3. Only applications by Parties with established existence of any of the relationships listed in Rule 5 will be approved by NASD.
4. The following documents must accompany all applications for nominal transfer:
 - i. Written application by the Participating Institution introducing the client and detailing the nature of the transfer
 - ii. Original copy of NASD Nominal Transfer Form (NASD Form 6), duly completed
 - iii. Executed mandate by Transferor in favour of the Participating Institution making the application

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- iv. 3 copies of NASD/CSCS statement indicating the account in which the shares are dematerialised
 - v. For a corporate entity, a duly executed board resolution and a certified true copy of its most recent Form CAC 7 (Particulars of Directors) and Form CAC 2 (Statement of Share Capital and Return on Allotment of Shares)
 - vi. Profiles of the individuals participating in the nominal transfers and for corporate entities profile of directors, a summary of the nature of business and a financial report on the company for the 2 years immediately preceding the year of the application.
 - vii. 3 copies of Authority letter executed by the Transferor and addressed to NASD
 - viii. Means of Identification of Transferor, Transferee or other signatories, where applicable
 - ix. A Certified True Copy (“CTC”) of the trust deed, where applicable
 - x. Any other document(s) which NASD may deem necessary for the purpose of the transfer
 - xi. The requisite fees as stated in the schedule to these Rules which are subject to review from time to time by NASD upon approval by the Commission
 - 5. NASD OTC Market shall require proof of existence of the following relationships before approving nominal transfer on its platform:
 - a) For nominal transfers between an individual and a corporate entity, evidence that the individual is a beneficial shareholder in the company.
 - b) For nominal transfers between corporate entities, evidence that one Party has controlling interest in the other Party or that control in both Parties is held by the same entity. This includes but is not limited to relationships:
 - i. between a joint venture and special purpose vehicle created to facilitate objective(s) of the joint venture
 - ii. between parent companies and subsidiaries
 - iii. between companies owned by the same parent company
 - c) For nominal transfers between individuals, evidence that there is a familial relationship between both parties. For the purpose of these Rules, a familial relationship is any relationship established by blood or marriage. This includes but is not limited to relationships between:
 - i. spouses
 - ii. parents and their (step)children
 - iii. siblings

FEE SCHEDULE

NASD	SEC	CSCS	Brokerage
0.30%	-	0.20%	1.35%