

MARKET CIRCULAR 33

To: Participating Institutions
From: NASD OTC Securities Exchange
Date: August 01, 2019

Circular Number 34: NEGOTIATED DEALS ON NASD OTC SECURITIES EXCHANGE

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).
 - 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 or 01 460 5008.

Thank you.

NASD PLC

**Contact us at:
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