

Instructions for Transfer of License



These instructions should be read in conjunction with the Rules of the NASD Market, Guidelines for operating a proprietary account on the NASD OTC Securities Exchange, and SEC's Rule on Trading on Unlisted Securities prohibiting the transfer of unlisted public securities "except through the platform of a registered securities exchange".

Registration of transfer of license can be in any of the following categories:

- Broker/Dealer
- Broker
- Sub-Broker
- Dealer
- Issuing House
- Custodians

**Please note that the Transferee must hold an SEC license for the applied category.*

A. Guidance notes

1. The Accredited Issuing House is a firm that provides advice and assists the Issuer:
 - structure the transaction into a tradable instrument, and
 - ensure compliance with the applicable Rules and guidelines.
2. The Broker/Dealer is a firm that facilitates buy and sell transactions for its clients and on its own account. It may also introduce a security for listing on the Market.
3. The Broker can facilitate buy and sell transactions for its clients but not on its own account.
4. The Dealer is a firm engaged in the business of buying and/or selling of securities on its own account but not for its client.
5. The Sub-Broker is any person or entity not being a participating institution, who acts on behalf of a sponsoring participating institution as its agent or otherwise for assisting investors in buying, selling, or dealing in securities through such sponsoring participating institution.
6. The Custodian is a person who has custody as a bailee of securities or certificate issued in the investor's name with the investor's name appearing in the issuer's register as the beneficial owner of the securities.

Instructions for Transfer of License



B. Eligibility Criteria

A Transferor shall, prior to application for transfer of its license

- a) Ensure that the Transferee is incorporated as a limited liability company and shall employ competent and suitable personnel with the requisite knowledge and qualifications to carry out activities in the securities business ;
- b) Ensure that the Transferee is SEC registered; ;
- c) Satisfy NASD that the Transferee has the appropriate technical infrastructure, and professional and organizational capabilities that will allow it to discharge its obligations as a Participating Institution;
- d) Satisfy NASD that the Transferee has in place documented policies, procedures, and controls (including risk management standards, and controls for the prevention of money laundering and terrorist financing) to ensure that it will comply continuously with all requirements imposed by the Rules;
- e) Ensure that the Transferee is sponsored by either two Directors of NASD or two NASD Participating Institutions. This may be the previous 2 directors or Participating Institutions who sponsored the Transferor or entirely new directors or Participating Institutions as the case may be. ; and
- f) Ensure that the Transferee has and maintains the minimum capital adequacy required by the SEC

****Please note that only a Broker/Dealer, Broker, Dealer, and Sub-broker is required to be sponsored by either two directors of NASD or two NASD Participating Institutions.***

Instructions for Transfer of License



C. Application Process

- a) An application for transfer of license shall be made in writing to NASD accompanied by the non-refundable application fees, a duly completed NASD Form 1C, and the documents listed on page 8 of this document.
- b) The application fees for the transfer of license between related companies i.e. parent companies and subsidiaries or companies owned by the same parent company and non-related companies are contained in paragraphs D and E of this form respectively.
- c) Registering and gaining access to the Trading Platform entails 3 easy steps:
 - **Step 1 (Application)**-Complete and submit the prescribed form (NASD Form 1c) and attach the supporting documents with the evidence of payment of the applicable fees.
*Incomplete applications will not be approved, and fresh applications will be required after 3 months from the date of submission.
 - **Step 2 (Processing)** – Your application and supporting documents will be reviewed to ensure compliance with NASD requirements and submitted to the Board for approval.
 - **Step 3 (Activation)** – Once approval is given; NASD shall issue a membership license to the Participating Institution.
- d) The Transferee of a Broker/Dealer, a Broker, a Dealer, or a Sub-Broker license as the case may be, must also register at least one Authorised Trader as part of its Authorised Representatives using NASD Form 1b.
- e) Upon completion of the application, enclose the supporting documents in an envelope marked; **“TRANSFER OF LICENSE”** and send them to:

The Managing Director
NASD PLC
9th Floor, UBA House 57, Marina
Lagos.
Attention: Head, Legal, and Compliance

Kindly send enquiries through email to legalcompliance@nasdng.com or call the NASD help desk on +234 902 455 9686 for clarification.

We look forward to your participation on the NASD OTC Market.

Instructions for Transfer of License



D. Applicable Fees for Transfer of License between related companies

S/N	Particulars	Transfer Fee (₦)	Annual Fee (₦)	Trade Guarantee Fund (₦) {One-Time Contribution}	Investors Protection Fund (₦) {One-Time Contribution}
1.					
a.	Broker/Dealer	100,000	50,000	100,000	250,00
b.	*Authorized Trader	20,000	20,000	N/A	N/A
c.	*Trading Platform Maintenance	N/A	90,000	N/A	N/A
2					
a.	Broker	100,000	35,000	100,000	250,000
b.	Authorized Trader	20,000	20,000	N/A	N/A
c.	Trading Platform Maintenance	N/A	90,000	N/A	N/A
3					
3.	Dealer	20,000	20,000	100,000	250,000
a.	Authorized Trader	20,000	20,000	N/A	N/A
b.	Trading Platform Maintenance	N/A	90,000	N/A	N/A
4					
a.	Sub-Broker	20,000	20,000	100,000	250,000
b.	Authorized Trader- Sub-Broker	20,000	20,000	N/A	N/A
c.	Trading Platform Maintenance- Sub-Broker	N/A	90,000	N/A	N/A
5.	Issuing House	100,000	50,000	N/A	N/A
6.	Custodian	50,000	N/A	N/A	N/A

Please note the following:

*Registration of a New Authorised trader by the Transferee is N90,000

*The Transferee is only required to make contributions to NASD Investors Protection Funds and NASD Trade Guarantee Fund where the Transferor is yet to make the contributions.


E. Applicable Fees for Transfer of Licence between non-related companies

S/N	Particulars	Fee (₦)	Annual Fee (₦)	Trade Guarantee Fund (₦) {One-Time Contribution}	Investors Protection Fund (₦) {One-Time Contribution}
1.					
a.	Broker/Dealer	300,000	50,000	100,000	250,00
b.	*Authorized Trader	70,000	20,000	N/A	N/A
c.	*Trading Platform Maintenance	N/A	90,000	N/A	N/A
2					
a.	Broker	200,000	35,000	100,000	250,000
b.	Authorized Trader	70,000	20,000	N/A	N/A
c.	Trading Platform Maintenance	N/A	90,000	N/A	N/A
3					
3.	Dealer	50,000	20,000	100,000	250,000
a.	Authorized Trader	70,000	20,000	N/A	N/A
b.	Trading Platform Maintenance	N/A	90,000	N/A	N/A
4					
a.	Sub-Broker	50,000	20,000	100,000	250,000
b.	Authorized Trader- Sub-Broker	70,000	20,000	N/A	N/A
c.	Trading Platform Maintenance- Sub-Broker	N/A	90,000	N/A	N/A
5.	Issuing House	200,000	50,000	N/A	N/A
6.	Custodian	100,000	N/A	N/A	N/A



General Information		
1. Details of Transferor		
Full Corporate Name:		
Registered address:		
RC Number:	Date of Incorporation:	
Website:	Phone:	
2. Details of Transferee		
Full Corporate Name:		
Registered address:		
RC Number:	Date of Incorporation:	
Website:	Phone:	
Kindly tick the applicable license sought to transfer		
a) Broker/Dealer	<input type="checkbox"/>	
b) Broker	<input type="checkbox"/>	
c) Sub-Broker	<input type="checkbox"/>	
d) Dealer	<input type="checkbox"/>	
e) Custodian	<input type="checkbox"/>	
f) Accredited Issuing House	<input type="checkbox"/>	
CONTACT DETAILS OF TRANSFEREE		
Principal Officer Contact (Please attach MD's Resume)	Enquiries Contact	Compliance Contact
Name:	Name:	Name:
Phone:	Phone:	Phone:
Email:	Email:	Email:

Authorised Trader for Transferee (For Broker/ Dealer)		
1.	Name of Trader:	Name of Trader:
2.	CIS Number:	CIS Number



3.	SEC Registered? Yes No	SEC Registered? Yes No
4.	Phone:	Phone:
5.	Email:	Email:

MODE OF PAYMENT

Payments can be made by either issuing a Bank Draft in favour of NASD or by Bank Transfer.

Kindly tick the mode of Payment **a) Bank draft** **b) bank transfer**

For Bank transfer details, kindly contact an NASD adviser by sending an email to finance@nasdng.com
/marketoperations@nasdng.com



SUPPORTING DOCUMENTS

- The review process may take up to 2 weeks after which you will be granted access to the Trading network
- Kindly submit copies of the following documents with your application and tick off the box

DESCRIPTION	SUBMITTED
Application letter by Transferor to NASD for the Transfer of Licence	
Company profile of the Transferee	
Certificate of Incorporation of the Transferee	
Memorandum and Articles of Association of the Transferee	
Particulars of Directors - CAC Form 7/Status Report of the Transferee	
Particulars of Shareholders - CAC Form 2/Status Report of the Transferee	
Evidence of SEC registration of the Transferee	
An undertaking by the Transferee to abide by the Rules of the NASD OTC Market, the SEC Code of Corporate Governance, and any other relevant legislation, notarized by a Notary Public or sworn to at the High Court registry	
Copy of business continuity plan and technical infrastructure of the Transferee	
An undertaking that the Transferee has a Risk Management Framework, AML Policy, Internal Control framework/ policy, Complaints Management Framework, Complaints Register, Client profiling Register, Internal Control Policies for verifying Customer Identification in place to ensure that it will comply continuously with all requirements imposed by the SEC and NASD Rules	
Evidence of payment of applicable fees by the Transferor	
Evidence of SEC Approval of the Transfer of License	
Copy of Transferor's License	
Board Resolution of the Transferor regarding the Transfer	
Board Resolution of the Transferee regarding the Transfer	
A copy of the duly executed Transfer Agreement	
Copy of most recent Audited Financial Statements of the Transferee	

NASD reserves the right to request additional information and documentation.

Authorization and Affirmation

This information is provided by the Transferor for the purpose of transferring its NASD Broker/Dealer/Issuing House/Custodian Licence to the Transferee. This is to affirm and certify that we are officers of this company and have the legal authority to provide information on the company's application for transfer of Licence . We declare that to the best of our knowledge, the above information provided is true and correct as of this date and we will promptly notify NASD if any change occurs.

***Kindly note that Applicants have a continuing duty to update responses to each of the questions in this application whenever there is an addition or change to the information previously given.**

Name of Director:	Name of Director
Signature:	Signature
Date	Date