

Instructions for registering with NASD



These instructions should be read in conjunction with the Rules of the NASD Market, Guidelines for Dealers operating on 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 can be in any of the following categories: Broker/Dealer

- ☐ Broker
- ☐ Dealer
- ☐ Broker/Dealer
- ☐ Accredited Issuing House

****Please note that entities should apply for categories in which they are SEC registered. For instance, the entity holding a broker/dealer SEC license should only apply to NASD as broker/dealer.***

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 proprietary account.

B. Eligibility Criteria

An applicant shall, prior to being registered as a Participating Institution on the NASD Market:

- a) Be SEC registered
- b) Be incorporated as a limited liability company and shall employ competent and suitable personnel with the requisite knowledge and qualification to carry out activities in the securities business
- c) Satisfy NASD that it has the appropriate technical infrastructure, professional and organizational capabilities that will allow it to discharge its obligations as a Participating Institution
- d) Satisfy NASD that it has in place documented policies, procedures and controls (including risk management standards, controls for the prevention of money laundering and terrorist financing) to ensure that it will comply on a continuous basis with all requirements imposed by the Rules
- e) Be sponsored by either two Directors of NASD or two NASD Participating Institutions
- f) Have and maintain the minimum capital adequacy required by the Commission.

****Please note that a Dealer is not required to be sponsored by either two directors of NASD or two NASD Participating Institutions***

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C. Application Process

- a) An application to participate on the Market shall be made in writing to NASD accompanied by the non-refundable application fee, a duly completed NASD Form 1a and the documents listed on page 4 of this document.
- b) Entities applying under the function of a Broker/Dealer, a Broker or a Dealer must also register at least one Authorised Trader as part of its Authorised Representatives using NASD Form 1b.
- c) Registering and gaining access to the Trading Platform entails 3 easy steps:
 - **Step 1 (Application)**-Complete and submit the prescribed forms (NASD Form 1a) 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) Upon completion of the application, submit the application form and all supporting documents to legalcompliance@nasdng.com;

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.

D. Applicable Fees

| S/N | Particulars | Application Fee (₦) | Annual Fee (₦) | Trade Guarantee Fund (₦) {One-Time Contribution} | Investor Protection Fund (₦) {One-Time Contribution} |
|---|-------------------------------|---------------------|----------------|---|---|
| 1. | Broker/Dealer | 300,000 | 50,000 | 100,000 | 250,000 |
| 2. | Broker | 200,000 | 35,000 | 100,000 | 250,000 |
| 3. | Dealer | 50,000 | 20,000 | 50,000 | 250,000 |
| 4. | *Trading Platform Maintenance | | 90,000 | | |
| 5. | *Authorised Trader | 70,000 | 20,000 | | |
| 6. | Issuing House | 200,000 | 50,000 | | |
| *these are compulsory for Broker/Dealer, Broker and Dealer Please note that application fee for a Dealer's Authorised Trader is ₦20,000 | | | | | |

General Information

| | | |
|---|--------------------------|---------------------------|
| Full Corporate Name: | | |
| Registered address: | | |
| RC Number: | Date of Incorporation: | |
| Website: | Phone: | |
| Are you SEC registered? Yes No | | |
| Kindly tick the desired function: | | |
| a) Broker/Dealer <input type="checkbox"/> b) Broker <input type="checkbox"/> c) Dealer <input type="checkbox"/> d) Accredited Issuing House <input type="checkbox"/> | | |
| Kindly tick the segment | | |
| Equities <input type="checkbox"/> Derivatives <input type="checkbox"/> Fixed Income <input type="checkbox"/> Instruments Others, please specify _____ | | |
| Principal Officer Contact (Please attach MD's Resume) | Enquiries Contact | Compliance Contact |
| Name: | Name: | Name: |
| Phone: | Phone: | Phone: |
| Email: | Email: | Email: |

Authorised Trader

| | | |
|----|--------------------------------------|--------------------------------------|
| 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:

| | |
|---|--|
| - Company profile | |
| Certificate of Incorporation | |
| Memorandum and Articles of Association | |
| Particulars of Directors - CAC Form 7 | |
| Particulars of Shareholders - CAC Form 2 | |
| Evidence of SEC registration | |
| An undertaking to abide by the Rules of the NASD OTC Market, the SEC Code of Corporate Governance and any other relevant legislation. <i>(The undertaking should be notarized by a Notary Public or sworn to at the High Court registry (template available for download on website))</i> | |
| Copy of agreement with appointed settlement bank | |
| Evidence of payment of applicable fees | |
| Copy of business continuity plan and technical infrastructure | |
| Copy of most recent Audited Financial Statements | |
| Reference letters from 2 Directors of NASD or 2 Participating Institutions registered with NASD | |

****Please note that Dealers are not required to provide reference letters from 2 Directors of NASD or 2 Participating Institutions***

- NASD reserves the right to request for additional information and documentation.

Authorization and Affirmation

This information is provided by the Applicant for the purpose of registering for applied functions in the NASD OTC Market. 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 registration. 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 Company Secretary:

Signature:

Signature:

Date:

Date:

****Kindly affix company seal.***

(Print on Firm letter headed paper)

(DATE)

The Managing Director

NASD PLC
9th Floor, UBA House
57, Marina Road
Lagos Island, Lagos.

Dear Sir,

UNDERTAKING TO ABIDE BY THE RULES OF NASD OTC SECURITIES EXCHANGE

(insert Firm name) acknowledges that the privilege to remain on the NASD OTC Securities Exchange is subject to the approval of the Board of NASD PLC and hereby undertakes to abide by the Rules of NASD OTC Securities Exchange, the Code of Conduct for Capital Market Operators as outlined by the Securities and Exchange Commission and any other applicable rules governing the business of the OTC Securities Exchange.

We agree to:

1. Act in an ethical manner while trading on the NASD OTC Securities Exchange, to keep proper records and render timely returns.
2. Remain adequately capitalized for the volume of any business we transact at all times.
3. Keep NASD informed of any changes to our registration information or any changes that may materially affect our business operations.

Thank you.

Yours Faithfully,
For: (the Firm)

Name of Signatory
Designation

Name of Signatory
Designation