



Codified Rule Book for Foreign Exchange

November2013

Table of Contents

Introduction	4
Key Definitions	5
Codified Rule Book for Foreign Exchange	6
General Standards.....	6
Powers Exercisable.....	6
Committees.....	6
Rule Amendments.....	7
Delegation & Authority.....	7
Reporting Requirements.....	7
Customer Requirements.....	7
Application Process.....	7
Termination of membership (Suspension and Revocation of Licence)	8
Notice to Members	10
Obligations & Rights.....	10
Market Making.....	10
Trading & Execution.....	11
Types of transactions	11
Trading Hours.....	17
Trading Parameters.....	17

Best Execution.....	18
Trading Halts	18
Other Trading Practices	19
Trade confirmation	20
Trade Processing	21
Trade Settlement	21
Dispute Resolution.....	21
Mediation.....	21
Arbitration.....	22
Reference.....	27
Appendices.....	28
Appendix One - 2-Way Dealing Systems Dispute Form	28
Appendix Two – Contract Letter Format for Foreign Exchange Purchase.....	29
Appendix Three - Contract Letter Format for Foreign Exchange Sale	30
Appendix Four (A) - Contract Letter Format for Forward Foreign Exchange Purchase	31
Appendix Four (b) – Agreement Format for Forward Foreign Exchange Purchase.....	32
Appendix Five (A) - Contract Letter Format for Forward Foreign Exchange Sale.....	34
Appendix Five (b) – Agreement Letter Format for Forward Foreign Exchange Sales.....	35
Appendix Six – Schedule of FX Transactions Under Two-Way Quote Dealing System	37
Appendix Seven – Proposed Newsletter.....	38
Appendix Eight – Format of the Acceptance and Commitment Letter	40

Introduction

In line with global trends, the methods of executing transactions in the Nigerian foreign exchange market are becoming more efficient, with increasing demand on professionalism.

FMDQ has adopted the existing Financial Markets Dealers Association (FMDA) guidelines which complement the regulations and guidelines of the Central Bank of Nigeria (CBN). FMDQ intends to re-work some parts of these rules after its launch.

These rules have been published to set out the secondary market framework for the licensed authorised dealers by the Central Bank of Nigeria to trade foreign exchange. For the purpose of these rules the CBN authorised dealers shall be referred to as FMDQ trading members. These rules shall be binding on all FMDQ trading members in their foreign exchange dealing activities

Control of the activities of all personnel engaged in dealing (both dealers and support staff in sales, market risk, operations, compliance, internal control and audit functions) is the responsibility of the management of such organisations. These guidelines are therefore addressed, not only to dealers, but also to the management and to relevant operational support staff. Management should clearly set out in writing, the authorities and responsibilities within which dealing and support staff should operate. These might include:

- General dealing policy including reporting procedures
- Persons authorised to deal
- Products to be dealt in
- Risk management (counterparty, position and stop-loss limits etc.) and internal controls
- Confirmation and settlement procedures
- Relationships with member firms
- Other relevant guidelines as considered appropriate

Management should also ensure that individual dealers are aware of their responsibilities to act professionally at all times, understand and operate within the legal & regulatory requirements applicable to the transactions they undertake.

These rules shall be read in conjunction with, and shall not be superior to any Laws and Enactments of the Federal Republic of Nigeria or any directive(s) of the CBN and other regulatory and monetary authorities. While steps have been taken to ensure that the guidelines are as comprehensive as possible, these guidelines are not exhaustive. It is our hope that both the letter and the spirit of the guidelines will be adhered to.

Key Definitions

Acronym	Description
AD	Authorised Dealer
CBN	The Central Bank of Nigeria
FEM	Foreign Exchange Market
FMDQ	Financial Markets Dealers Quotations
Forex	Foreign Exchange
IPHC	Initial Pre-Hearing Conference
KYC	Know Your Customer (KYC)
LIBOR	London Inter-bank Offered Rates
MSA	Mediation Submission Agreement
NMFA	Nigerian Master Foreign Exchange Agreement
NOPL	Net Open Position Limit
pips	Percentage in points
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission
WDAS	Wholesale Dutch Auction System

Codified Rule Book for Foreign Exchange

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
General Standards	Powers Exercisable	2111	The Central Bank of Nigeria (CBN) maintains general surveillance over the Nigerian foreign exchange market. In addition, it has direct responsibility for the following: <ul style="list-style-type: none"> i. Design, print, custody and distribution of foreign exchange forms ii. Miscellaneous transactions 	FEM	Sec. 2 Pg. 6
		2112	Sanctions shall be imposed on authorised dealers/official(s) who breach any of the foreign exchange regulations and guidelines spelt out in this manual and any other document issued either by the CBN or FMDQ	FEM/FMDQ	Memorandum 27, No. 9
		2113	<ul style="list-style-type: none"> i. Trading members acting in a manner contrary to these guidelines, may be suspended from dealing in the two-way quote market by the FMDQ ii. Suspension, which will be preceded by a written warning, may arise if three reported cases of misconduct are established against the erring party iii. The period of suspension may not exceed one calendar year 	FMDQ	GTFE Sec. 1.3
	Committees	2121	<ul style="list-style-type: none"> i. FMDQ's Executive Regulation & Supervision Committee and the FMDQ Board Regulation & Supervision Committee shall rule on disputes/infractions referred to it by trading member, customer or the Market Surveillance Unit of FMDQ on matters relating to dealing relationships, market standards and conduct of the trading members 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
	Rule Amendments	2151	i. FMDQ shall file with the Securities and Exchange Commission (SEC), three copies of a report of any proposed amendment or repeal of or any addition to its rules within 30 days (or such shorter period as SEC may authorise) before any action is taken on such amendments, revocation or addition by its members or by any governing body thereof	SEC	SRR Sec. 192(1)
		2152	i. FMDQ shall copy CBN on all proposed amendment or repeal or addition to its rules	FMDQ	
	Delegation & Authority	2161	ii. Trading members are required to make two-way quote for standard size and spread together trading members listed in the FMDQ Dealer's Directory and qualified investors	FMDQ	GTFE Sec. 1.11
	Reporting Requirements	2231	i. Mixing of funds purchased from the CBN with any other acquired from autonomous sources shall be allowed, provided they are duly segregated and properly recorded to ease reconciliation. Consequently, trading members shall continue to render appropriate returns on sources of funds and utilisation to the CBN	FEM	Memorandum 27, No. 6
	Customer Requirements	2251	i. Trading members should carry out due diligence/Know Your Customer (KYC) on all customers and counterparties	FEM	Memorandum 27, No. 8
	Application Process	2271	i. Trading members shall deal in the two-way quote and have the acceptance letter signed according to mandate, by their authorised signatories ii. Trading members which are not ready to commence forward	FMDQ	GTFE Sec. 1.1

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			dealing should indicate this to FMDQ		
	Termination of membership (Suspension and Revocation of Licence)	2281	<p>Contraventions: One</p> <p>Round-tripping of foreign exchange sourced from the foreign exchange market</p> <ol style="list-style-type: none"> i. Use of customers name to source foreign exchange from the foreign exchange market without the consent of such customers ii. Payment of forex with funds sourced from foreign exchange market for transactions supported with forged documents <p>Sanctions:</p> <ol style="list-style-type: none"> i. Suspension of the authorised dealership licence for a minimum of six (6) months with full effect ii. Refund of the Naira equivalent of the gains, calculated by applying 5% above the rates prevailing on the dates of the transactions iii. Refer to the sub-committee on ethics of the Bankers' Committee for notification iv. Refer case to the police for prosecution v. Revocation of the authorised dealership licence on second occurrence of breach 	FEM	Appendix II, Sec. B
		2282	<p>Contraventions: Two</p> <p>Failure to deliver funds (forex) sold by a trading member to the CBN and vice versa</p>	FEM	Appendix II, Sec. B

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			Sanctions i. Interest at LIBOR to be charged until funds are credited ii. Trading members are also entitled to interest on funds bought from CBN until such is delivered		
		2283	Contraventions: Three Default on rendition of data Sanction: i. Late rendition of data/non-rendition: Penalty of N4,500.00 (four thousand five hundred naira only) shall be imposed for non-rendition of daily returns, and in the case of monthly returns not rendered on the day following the reporting month, N4,500.00 shall be paid daily until the returns are rendered ii. Rendition of false data: suspension of authorized dealership licence for a minimum of six (6) months with full effect	FEM	Appendix II, Sec. B
		2284	Contraventions: Five Exceeding approved forex Net Open Position Limit (NOPL) Sanctions: i. First offender that exceeds the NOP limit shall be given letter of warning ii. Second offender shall be suspended from the foreign exchange market for three (3) working days iii. Persistent offender shall have its authorized dealership licence withdrawn	FEM	Appendix II, Sec. B

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
	Notice to Members	2291	<ul style="list-style-type: none"> i. FMDQ shall file with the SEC before issuing to trading members a copy of any notice, circular, list, bulletin etc. ii. Such notices, circulars, lists, bulletins etc. shall be addressed to Director-General and delivered at SEC's head office iii. Where SEC does not respond to the said material within 5 working days of the receipt thereof, FMDQ may issue it to its trading members iv. A facsimile or other electronic copy of such notice may be sufficient provided that there is evidence of receipt 	SEC	SRR Sec. 186(1-4)
		2292	<ul style="list-style-type: none"> i. FMDQ shall inform CBN on all the above communications 	FMDQ	
Obligations & Rights	Market Making	2311	<p>Quoting trading member shall</p> <ul style="list-style-type: none"> i. give two-way quote for the standard currencies (\$/N), size and spreads without undue delay, during trading hours ii. give maximum of two types of quotes at each request iii. refrain from quoting for non-standard amounts and state the amount it is willing to quote for iv. deal, for at least the standard amount, if requesting trading member find one of its rates attractive 	FMDQ	GTFE Sec. 1.4.1
		2312	<p>Calling trading member shall</p> <ul style="list-style-type: none"> i. receive prompt quotes for the standard currencies (\$/N), size and spreads without undue delay, during trading hours ii. request quotes from quoting trading members as many times 	FMDQ	GTFE Sec. 1.4.2

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>as necessary during the trading day</p> <p>iii. close one deal (sell or purchase) per request, if it finds one of the quoting trading member's rates attractive</p> <p>iv. decide not to deal if the quotes are not favourable</p> <p>v. not be obliged to give quotes to quoting trading members at that instance. However, if it shall oblige and quote, it must deal if quoting trading members finds its quote attractive</p>		
Trading & Execution	Types of transactions	2411	<p>Approved Products</p> <p>The approved hedging products are</p> <p>i. FX Options, Forwards (Outright and Non-Deliverable), FX Swaps and Cross-Currency Interest Rate Swaps.</p> <p>ii. Notably, trading members are now allowed to offer European-styled FX call and put option contracts to their customers and in the inter-bank market</p> <p>iii. The CBN shall grant approvals for trading members that qualify to engage in Options. Details on the approval process shall be released in due course</p> <p>iv. All hedge transactions with the customers must be backed by trade (visible and invisible) transactions</p>	CBN	GFDN Sec. 2
		2412	<p>Spot</p> <p>i. Trading members may deal spot in any foreign currency (for delivery within a maximum of two days) with residents of Nigeria provided that an approved Form 'A' or 'M' is held in respect of such transaction</p> <p>ii. Trading members may buy/sell spot from/to non-residents on the following basis</p> <p>a. Any specified foreign currency against the Naira</p>	CBN	FEM Memorandum 5, Sec.2(a)

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<ul style="list-style-type: none"> b. Any specified foreign currency against any other foreign currency iii. Such sales/purchases must be for eligible transactions when executing spot transactions 		
		2413	<p>Spot</p> <ul style="list-style-type: none"> i. The purchase (or sale) of a currency for settlement within two business days from transaction date ii. Settlement date may be up to six calendar days after transaction date by mutual agreement 	FMDQ	GTFE Sec. 1.13.1
		2414	<p>Forward</p> <ul style="list-style-type: none"> i. All deals for periods of seven calendar days and above after the transaction date ii. Forward dates will be calculated from the transaction date iii. Where the maturity date falls on a non-working day, it will be deemed to the next working day unless that day is in the next month in which case, it would be the last working day in the month iv. Standard tenors shall be 14, 21 and 30 days although trading members may choose to quote for mutually agreed tenors v. For trading members that are trading forwards, quotes should always be available for 14, 21 and 30 days at a minimum 	FMDQ	GTFE Sec. 1.13.2
		2415	<p>Forward</p> <p>Trading members may engage in forward transactions among themselves or between them and their customers</p> <ul style="list-style-type: none"> i. Foreign contract to be so recognised shall have the following 	CBN	FEM Memorandum 5 Sec. 2b/GFED Sec. 4

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>characteristics:</p> <ul style="list-style-type: none"> a. A master agreement duly executed shall exist between the counterparties for forex transactions b. A forward contract shall exist for the specific forward deal c. A deal slip evidencing the deal shall be raised or generated d. The deal shall be captured on the trading members' ledgers e. A confirmation of the forward deal shall be sent to the counterparty f. The transaction shall be reported to the Central Bank of Nigeria <ul style="list-style-type: none"> ii. Trading members may buy/sell forward from/to non-residents on the following: <ul style="list-style-type: none"> a. Any specified foreign currency against the Naira b. Any specified foreign currency against other foreign currency iii. Such sales/purchases must be for eligible transactions, when executing forward transactions iv. In all cases of forward sales/purchases of foreign currency by the trading members, such transactions are restricted to a maximum tenor of 5 years. However, for eligible transactions with longer tenor, the approval of Director, Trade and Exchange Department must be obtained v. Trading members may seek specific approval for longer tenors vi. Relevant documentation which includes Forms 'M' or 'A' (loan agreements) proforma invoice, etc. shall be in place on maturity of the contract and at any rate before the delivery of the foreign exchange. Forward contracts shall count as 		

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			contingent liabilities when computing single obligor limits		
		2415	<p>Swap The simultaneous purchase and sale of identical amounts of a currency for different value dates. Two-way quotes are not required for swap transactions</p>	FMDQ	GTFE Sec.1.13.3
		2416	<p>CBN Intervention – Method A</p> <ul style="list-style-type: none"> i. CBN may intervene in the inter-bank market either to buy or sell ii. Any trading member interested in participating in the CBN intervention will do so by submitting its bid and offer rates for a specific amount and the spread between the bid and offer rates shall not exceed 20pips (i.e. 20 kobo) iii. CBN shall reserve the right to buy from or sell to a trading member iv. Quotes submitted by a trading member shall be taken to be valid for an hour after the submission of the quotes v. Successful bids and offers shall thereafter be immediately communicated <p>CBN Intervention – Method B</p> <ul style="list-style-type: none"> i. CBN may also participate in the inter-bank market by contacting trading members either via dealing system or telephone ii. When contacted, a trading member shall provide quotes for a standard trade amount of US\$250,000.00 (Two hundred and fifty thousand US dollars) and at a bid-offer spread of 5pips (5 	GFDN	GFDN Sec. 1 – 4

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>kobo) to the CBN</p> <ul style="list-style-type: none"> iii. The standard trade amount and the bid-offer spread have both been aligned with inter-bank market specifications iv. CBN may ask for quotes for higher amount but the trading member shall reserve the right to quote two-way (bid and offer) for this higher amount requested for but with a 20 pips (20 kobo) spread between bid and offer v. Trading member is not obliged to give quotes for the requested amount above US\$250,000.00 vi. All trading members shall advise the names of their FX dealers and Treasurers in writing to Director, Financial Markets Department vii. Any unprofessional trading conduct shall be treated as a compromise of market integrity and shall be sanctioned accordingly viii. CBN intervention trades will settle on T+2 basis ix. Funds purchased through the CBN interventions can be applied for eligible transactions and can equally be sold to other trading members in the inter-bank market x. CBN intervention trades should therefore be recorded and reported as inter-bank transactions xi. All funds purchased through the CBN interventions shall be credited to the trading member's Nostro Account. All trading members are to advise their Trading Nostro Accounts to credit such purchases through the CBN interventions. Trading members are not allowed under any circumstance to move fund between the FEM Nostro where WDAS funds are received and the Trading Nostro Account. Trading members shall on the publication of these guidelines immediately advise 		

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>their Trading Nostro Accounts in writing to Director, Banking and Payments System Department. Further governance rules on the management of the Nostros shall be advised in due course</p> <p>xii. The execution of CBN intervention trades shall be guided by the provisions of the Nigerian Master Agreement for Foreign Exchange Transactions. Specifically:</p> <ul style="list-style-type: none"> a. Trading members shall fund their CBN Naira accounts for purchases of US Dollar or deliver US Dollar to the CBN promptly as the CBN will operate the interventions with trading members on settlement risk basis. Consequently, US Dollar will be delivered to trading members for US Dollar sales and Naira equivalent will be credited for US Dollar purchases from trading members on T+2 basis on the premise that the trading members will irrevocably honour their obligations under the executed deals b. Non-settlement of Naira by trading members shall not necessarily lead to cancellation of any CBN intervention trade. Defaults on either the Naira or US Dollar settlement by any trading member shall attract suspension from the WDAS-SPT and WDAS-FWD in addition to the provisions of section 10.2 of the Nigerian Master Agreement for Foreign Exchange Transactions c. Late settlements of US Dollar or Naira by trading members shall attract interest charges in line with the provisions of section 10.7 of the Nigerian Master Agreement for Foreign Exchange Transactions <p>xiii. Trading members are required to trade within their foreign exchange Net Open Position Limit</p>		

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
	Trading Hours	2421	i. Normal dealing hours will be between 9.00a.m. - 3.00p.m. (every business day) although extended trading hours are also permitted. (Current practice is 9.00am – 2.00pm)	FMDQ	GTFE Sec. 1.12
	Trading Parameters	2431	Standard Amount i. \$500,000.00 will represent the standard amount any trading member will be ready to deal each time a quote is given ii. Where amounts required are not specified up-front, quotes will be assumed to be for the standard amount and confirmed as such	FMDQ	GTFE Sec.1.14.1
		2432	Specified Amount i. Requesting trading member may request quotes for amounts larger/lower than \$500,000.00 which must be stated up-front ii. Quoting trading member may decline to quote for such amounts, specify the amount they are willing to quote for or quote for the standard amount	FMDQ	GTFE Sec.1.14.2
		2433	Short Falls i. Amount less than \$500,000.00 are not subject to Two-Way quotes ii. Requesting member will state amounts and interest (whether buying or selling) upfront iii. The quoting trading member has the choice on whether or not to deal for such amounts	FMDQ	GTFE Sec.1.14.3

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
		2434	<p>Spread</p> <ul style="list-style-type: none"> i. The maximum spread between the market bid and offer rates for spot transactions will be ₦1.00 (current practice is N0.10) ii. Trading members may choose to quote up to four decimal places, e.g. ₦159.5005 – ₦159.6005 (bid and offer respectively) or two decimal places, as long as the spread stated above is not exceeded 	FMDQ	GTFE Sec.1.14.7
		2435	<p>Currencies</p> <ul style="list-style-type: none"> i. The standard currencies, for which quotes must always be given, are USD/Naira (\$/N) ii. Quotes may be given for third currencies by mutual agreement 	FMDQ	GTFE Sec.1.14.4
	Best Execution	2441	<p>Validity of Quotes</p> <ul style="list-style-type: none"> i. Quotes given are only valid for a minimum of 20 seconds for telephone and screen-based transactions ii. A maximum of two types of quotes (e.g. for spot and one forward transaction) are allowed per request, although more may be given by mutual agreement 	FMDQ	GTFE Sec. 1.8
	Trading Halts	2451	<p>FMDQ may declare a trading halt in circumstances where trading activity:</p> <ul style="list-style-type: none"> i. is being or could be undertaken by persons possessing unpublished price-sensitive information that relates to FX product ii. is being influenced by a manipulative or deceptive trading practice iii. may otherwise give rise to an artificial price for that FX product 	FMDQ	IIMMA Sec. 4.5

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			iv. where the bond market becomes illiquid due to some external event		
	Other Trading Practices	2461	Mode of Communication i. Dealing should be done on an approved FMDQ medium, i.e. telephone, Reuters, Bloomberg, etc.	FMDQ	GTFE Sec. 1.5
		2462	Concluding a Deal i. Trading members should regard themselves as bound to a deal once the price and volume have been agreed ii. A deal is consummated when the requesting member confirms buying or selling the stated amount at the offer or bid rate indicated by the quoting member iii. After quoting, a trader cannot refuse to deal if the requesting member decides to lift (buy) or hit (sell) at either of the rates quoted iv. To reduce the incidence of disputes, dealers are advised to re-confirm transaction details	FMDQ	GTFE Sec.1.10
		2463	Qualifying Conditions i. Both trading members should state clearly at the outset, prior to a transaction being executed, the qualifying conditions to which it will be subject ii. These include quotations which are subject to the necessary credit approval, margins for forward transactions etc.	FMDQ	GTFE Sec.1.10

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
		2464	<p>Voice Recording Facility</p> <ul style="list-style-type: none"> i. Where trading is done via telephone, the use of recording equipment in the offices of members is mandatory to expedite conflict resolution ii. All trading members should be required to have telephone recording equipment and telephone transactions must be recorded iii. Tapes should be kept for at least two months after the maturity date of the contracts iv. Tapes which cover any transaction which is in dispute should be retained until the problem has been resolved 	FMDQ	GTFE Sec.1.10
	Trade confirmation	2521	<ul style="list-style-type: none"> i. Verbal agreements are considered binding ii. The subsequent confirmation is regarded as evidence of the deal, but should not override terms agreed verbally iii. Confirmations (whether mailed, telexed or sent by other electronic means) provide an opportunity for dealing errors to be identified and rectified with the minimum of delay and possible cost iv. Standard confirmation letters should be exchanged within 48 hours v. The standard letters/agreements, whose penalty clauses cannot be altered by individual counterparties, are attached as Appendices Three to Six vi. Any trading member that fails to receive a confirmation should query the matter with the counterparty as soon as possible 	FMDQ	GTFE Sec.1.9

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
	Trade Processing	2531	<ul style="list-style-type: none"> i. Upon receipt, all confirmations must immediately be thoroughly checked and appropriate action taken to rectify any differences ii. If the confirmation is considered incorrect, the counterparty must immediately be informed, and an amended confirmation should be provided by the trading member whose original confirmation was incorrect 	FMDQ	GTFE Sec.1.9
	Trade Settlement	2541	<p>Settlement</p> <ul style="list-style-type: none"> i. Payment in local currency shall be effected through RTGS by transferor 	FMDQ	GTFE Sec.1.14.5
Dispute Resolution	Mediation	2611	<p>Initiation</p> <ul style="list-style-type: none"> i. A trading member must file a request for mediation to FMDQ ii. FMDQ shall contact the other trading member to confirm if they agree to mediate or arbitrate the dispute 	FMDQ	
		2612	<p>Selection</p> <ul style="list-style-type: none"> i. FMDQ shall assist in the selection of a mediator (a financial markets expert) by providing the trading members a list of mediators from which to choose along with a detailed report on mediator's background (disclosure report) for each mediator ii. The trading members shall select a mediator that they all agree to work with 	FMDQ	
		2613	<p>Sessions</p> <ul style="list-style-type: none"> i. The trading members, their representatives and the mediator must sign FMDQ's Mediation Submission Agreement before the mediation can take place 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<ul style="list-style-type: none"> ii. FMDQ shall schedule and communicate the mediation date and location iii. The trading members shall discuss all the areas of dispute under the mediator's guidance 		
		2614	Settlement <ul style="list-style-type: none"> i. If the trading members agree to settle, FMDQ shall draft an enforceable agreement for both trading members to sign 	FMDQ	
		2615	Impasse <ul style="list-style-type: none"> i. If the trading members do not reach a settlement, an arbitration case can be filed, or, if one was previously filed, request can be made to continue the case 	FMDQ	
		2616	Fees <ul style="list-style-type: none"> i. Trading members shall be required to pay administrative fees for mediating through FMDQ and are responsible for the mediator's fee and attendant expenses 	FMDQ	
	Arbitration	2621	Filing a Claim <ul style="list-style-type: none"> i. The trading member (claimant) initiating the arbitration shall submit a Statement of Claim, which includes a description of the dispute, the parties involved, relevant facts and remedies requested either by mail or online to FMDQ ii. Claimant shall also submit the appropriate filing fee as may be determined by FMDQ 	FMDQ	
		2622	Answering a Claim <ul style="list-style-type: none"> i. FMDQ shall notify trading member (respondent) of the case by sending or serving respondent a case packet by mail. If the respondent is registered with FMDQ, the respondent must arbitrate with claimant 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<ul style="list-style-type: none"> ii. A respondent shall respond to an arbitration claim by filing an answer that specifies the relevant facts and available defenses to the statement of claim iii. A respondent shall have 48 hours to research the claim, prepare and serve a response 		
		2623	<p>Selection</p> <ul style="list-style-type: none"> i. FMDQ shall analyse the claim, the nature of the dispute and the type of financial instruments involved, and decide how many arbitrator(s) will be required ii. FMDQ will provide list of possible arbitrators with a detailed report on each arbitrator's background (a disclosure report) for the case to both trading members of the dispute iii. Both trading members shall be allowed to determine the arbitrators for the case 	FMDQ	
		2624	<p>Pre-Hearing Conferences</p> <ul style="list-style-type: none"> i. FMDQ will schedule an Initial Pre-Hearing Conference (IPHC) with the arbitrator(s) and trading members' representatives. The IPHC will hold over the telephone or other electronic means such as VOIP etc. ii. FMDQ will notify the trading members and arbitrator(s) of the date and time of the IPHC at least 72 hours prior to the conference iii. FMDQ shall provide arbitrators with any written submissions pertaining to the issues or disputes to be addressed at the conference prior to a IPHC iv. At the IPHC, the panel will schedule evidentiary hearing dates; set discovery date, briefing date and motions deadlines; and, address other preliminary matters v. At the conclusion of the IPHC, the chairperson shall sign the Hearing Scheduling Order on behalf of the panel and submit it to the FMDQ for distribution to the trading members 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
		2625	<p>Discovery - Exchange of documents/ information & identify witnesses</p> <ul style="list-style-type: none"> i. Trading members must produce all documents required or agreed to be produced ii. Trading members are required to serve on each other copies of documents in their possession that they intend to present at the hearing and to identify witnesses they intend to call at least 72 hours prior to the first scheduled hearing date iii. Any trading member that is unable to provide required documents shall state the reasons in writing iv. Trading members may shorten or lengthen the exchange deadlines by agreement v. The witness lists will also be sent to the arbitrators by FMDQ for review prior to a hearing 	FMDQ	
		2626	<p>Hearings</p> <ul style="list-style-type: none"> i. The trading members and arbitrators shall meet in person to conduct the hearing in which the trading members shall present arguments and evidence in support of their respective cases ii. Arbitrators may proceed in the absence of a trading member if it fails to appear at a hearing after having been duly notified of the time, date and place of the hearing by FMDQ <p>Witnesses</p> <ul style="list-style-type: none"> i. Unless all parties agree otherwise, the panel shall not allow fact witnesses whilst expert witnesses shall be permitted to attend all hearings <p>Starting the hearing</p> <ul style="list-style-type: none"> i. Hearings shall be held at FMDQ office, or any other location as may be agreed ii. FMDQ will handle all logistics for the hearing and communicate to the trading members and the arbitrators 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>Record of the Hearing</p> <ul style="list-style-type: none"> i. All hearings shall be digitally recorded ii. Arbitrator(s) shall employ an attendance list to track the attendance of the trading members, representatives and witnesses; and an exhibit list (claimant's exhibits and respondent's exhibits) to track the trading members' exhibits in order to ensure complete record of the hearing <p>Exclusion of Evidence During the Parties' Presentation</p> <ul style="list-style-type: none"> i. Arbitrator(s) may exclude from the hearing any documents not exchanged during the discovery period ii. Arbitrator(s) may exclude from the hearing witnesses not identified during the discovery period <p>Executive Sessions</p> <ul style="list-style-type: none"> i. Executive sessions (separate discussions among the arbitrators) shall be held outside the presence of the trading members and their representatives and witnesses ii. All executive sessions shall be off the record <p>Exiting the Hearing Room</p> <ul style="list-style-type: none"> i. At the conclusion of a hearing, a pre-designated panel member shall collect all accepted exhibits and return them to FMDQ as the official record ii. FMDQ shall release all case-related materials to arbitrator(s) if discussions are adjourned 		
		2627	<p>Decision</p> <ul style="list-style-type: none"> i. Arbitrator(s) shall review the hearing record, the pleadings and submissions and their notes before they deliberate the facts of the case and render a written decision called an award ii. Arbitrator(s) may also request that the trading members submit post-hearing briefs to help clarify issues <p>Rendering the Award</p> <ul style="list-style-type: none"> i. Arbitrator(s) shall be required to render an award within 24 hours from the date the hearing is concluded 	FMDQ	

Rule Section	Rule Sub-Section	Rule Code	Rule	Reference	Detail
			<p>Form of the Award</p> <ul style="list-style-type: none"> i. All awards must be in writing and signed by all the arbitrators. An arbitrator who disagrees with the award may note the dissent ii. All awards rendered are legally binding and final and are not subject to review or appeal within FMDQ unless there is a challenge from the Oversight Committee <p>Awarding Fees and Costs</p> <ul style="list-style-type: none"> i. Arbitrator(s) shall decide which trading member shall pay the costs incurred as a result of the arbitration <p>Arbitrator Immunity</p> <ul style="list-style-type: none"> i. Arbitrators shall have immunity from civil liability that may arise out of their conduct while serving as arbitrators <p>Penalty</p> <ul style="list-style-type: none"> i. Trading members must comply with the award within 24 hours. Any trading member that does not comply in a timely manner may be suspended by FMDQ <p>Challenging Arbitration Decision</p> <ul style="list-style-type: none"> i. A trading member may challenge an arbitration decision by requesting the Oversight Committee to set the award aside as void ii. The motion must be made within 24 hours of the award 		

Reference

S/N	Acronym	Description
1	GTFE	<ul style="list-style-type: none">Guidelines for Two Way Quote Trading in Foreign Exchange - FMDA
2	GFDN	<ul style="list-style-type: none">Guidelines on the Operations of CBN Interventions in the Inter-Bank Market through the Two-Way Quote System - October 20, 2011
3	GFED	<ul style="list-style-type: none">Central Bank of Nigeria Guidelines For Foreign Exchange Derivatives In The Nigerian Financial Markets March 22, 2011
4	FEM	<ul style="list-style-type: none">Central Bank of Nigeria Foreign Exchange Manual
5	SRR	<ul style="list-style-type: none">Securities and Exchange Commission Rules & Regulations - 2013
6	IIMMA	<ul style="list-style-type: none">Instruction and Inspection Manual of Members' Activities (FMDQ)

Appendices

Appendix One - 2-Way Dealing Systems Dispute Form

TO: FMDQ

Subject to the terms and conditions in our acceptance of and commitment to the Guidelines of the 2-way Quote Dealing system, we hereby notify FMDQ of a dispute arising from an FX transaction between our bank and ABC bank and seek prompt resolution.

The details of the disputed transaction are as follows:

Buyer's Dealer	
Seller's Dealer	
Amount	
Rate	
Currency Pair	
Transaction Date	
Value Date	
Tenor (forward)	
Amount due to us	
Mode of Receipt	
Amount Due to Counterparty	
Mode of Payment	
Nature of the dispute	

Required compensation:.....

Justification for compensation:.....

Steps already taken in resolution of the dispute:.....

Find attached copies of the following (please tick where applicable):

- 1. Contract letter
- 2. Evidence of occurrence of the dispute
- 3. Justification for claims
- 4. Evidence of steps taken to resolve the dispute
- 5. Others (specify)

Kindly advise us as we look forward to prompt resolution of the dispute

.....

Authorised Signatory

.....

Authorised Signatory

Appendix Two –Contract Letter Format for Foreign Exchange Purchase

Date:
The Treasurer

Dear Sir

RE: PURCHASE OF US\$.....

Further to the discussion between our _____ and your _____, we hereby confirm our willingness to buy foreign currency subject to the following terms:

Seller (Trading Member)	
Buyer (Trading Member)	
Currency (US\$)	
Amount (US\$)	
Exchange Rate (\$/N)	
Naira Equivalent (N)	

Conditions precedent:(Trading member) will deliver US Dollars on(date) to:(Trading member)_____ (Address), Account Number: (Trading member) will deliver Naira equivalent to your CBN account..... through RTGS on(date).

Please note that the responsibilities and obligations of the parties herein are subject to applicable Foreign exchange laws and regulations in Nigeria.

We will charge a penalty of Fed Funds rate + 2% on the US\$ amount for every day it remains undelivered after delivery date.

Kindly indicate against two authorised signatures your acceptance of this offer.

Yours faithfully

Authorised Signatory

Terms Accepted:

Authorised Signatory

Authorised Signatory

Authorised Signatory

Appendix Three - Contract Letter Format for Foreign Exchange Sale

Date

The Treasurer

Dear Sir

RE: SALE OF US\$.....

Further to the discussion between ourand your, we hereby confirm our willingness to sell foreign currency subject to the following terms:

Seller (Trading Member)	
Buyer (Trading Member)	
Currency (US\$)	
Amount (US\$)	
Exchange Rate (\$/N)	
Naira Equivalent (N)	

Conditions precedent: (Trading member) will deliver Naira equivalent to our CBN account through RTGS on(date) (Trading member) shall transfer the US Dollars to your offshore account on (date). Kindly advise us on your offshore account to be credited.

Please note that the responsibilities and obligations of the parties herein are subject to applicable Foreign Exchange laws and regulations in Nigeria.

We will charge a penalty of 7 day NIBOR + 2% on the Naira amount for every day it remains undelivered after delivery date.

Kindly indicate against two authorized signatures your acceptance of this offer.

Yours faithfully

Authorised Signatory

Authorised Signatory

Terms Accepted:

Authorised Signatory

Authorised Signatory

Appendix Four (A) - Contract Letter Format for Forward Foreign Exchange Purchase

Date:

The Treasurer

Dear Sir

RE: FORWARD PURCHASE OF US\$.....

Furtherto the discussion between our _____ and your _____, we hereby confirm our willingness to buy foreign currency subject to the following terms:

Seller (Trading Member)	
Buyer (Trading Member)	
Currency (US\$)	
Amount (US\$)	
Exchange Rate (\$/N)	
Naira Equivalent (N)	

**Conditions precedent: (Trading member) will deliver US Dollars on (Date).....to:(Address of Correspondent Trading member)Account Number -----
--- (Trading member) will deliver Naira equivalent to your CBN account through RTGS on (Date).....**

Please note that the responsibilities and obligations of the parties herein are subject to the attached Forward Foreign Exchange Purchase Agreement and to the applicable foreign exchange laws and regulations in Nigeria.

We will charge a penalty of Fed Funds rate + 2% on the US\$ amount for every day it remains undelivered after delivery date.

Above transaction should be reported to the Central Bank of Nigeria as an inter-bank transaction of the month of.....(transaction month).

Kindly indicate against two authorised signatures your acceptance of this offer.

Yours faithfully

Authorised Signatory

Terms Accepted:

Authorised Signatory

Authorised Signatory

Authorised Signatory

Appendix Four (b) – Agreement Format for Forward Foreign Exchange Purchase

(Trading member) of (Address) (Hereinafter referred to as confirms the forward purchase of foreign currency from(Trading member) (Hereinafter referred to as the "counterparty") under the following terms:

Date Of Agreement	
Counterparty	
Address Of Counterparty	
Foreign Currency Amount	
Exchange Rate	
Local Currency Amount	
Tenor	
Foreign Currency Delivery Date	
Local Currency Delivery Date	
Delivery Of Foreign Currency To	
Delivery Of Local Currency To	

(Trading member) and thecounterparty irrevocably and unconditionally agree to the following conditions:

- 1) Exchange contracts are not assignable.
- 2) The performance of this contract and the delivery of the exchange described herein is subject to any laws, regulations, decrees, administrative rules and orders which may from time to time be authorised by the Federal Government of Nigeria and/or by the Central Bank of Nigeria and/or any other regulatory authorities in Nigeria.
- 3) It is hereby agreed and understood that (Trading member) accepts no liability whatsoever for any loss which the counterparty may suffer from the interruptions or breach of this contract for the reasons stated above.
- 4) In the event of the counterparty’s failure to perform under this contract, (Bank) reserves the right to reverse this contract as well as any other contract between (Bank) and the counterparty at (Bank’s) sole discretion. Further, in the event the counterparty defaults on any of its other commitments to ... (Bank), (Bank) reserves the right to reverse this contract.
- 5) In the event of non- performance by either party under this contract the defaulting party undertakes to pay an amount (which shall not be a negative amount) of liquidated damages to the other party which shall be calculated as the current buying rate of the foreign currency minus the Contracted Exchange Rate multiplied by the contract amount, to have been delivered hereunder:

$$\text{Liquidated Damages} = (\text{Current Buying Rate} - \text{Contract Exchange Rate}) \times \text{Contract Amount}$$

- 6) For the purposes of Clause 5 above the following terms shall be defined as follows:
 - a) Current buying rate shall be the prevailing exchange rate of the foreign currency as determined by multiplying (Bank’s) buying rate for dollars by the selling rate for the currency of this contract (if other than in dollars) on the date contract is reversed.
 - b) Contracted Exchange Rate shall be the exchange rate for the purchase of foreign currency as agreed by bother parties herein and stated as \$/N.....

c) Contract amount shall be the total amount of foreign currency to be sold by the counterparty to (Trading member) and stated as \$.....

- 7) As soon as the counterparty is aware of a material adverse change which may impair the counterparty's ability to perform its obligations under this contract, the counterparty is obligated to inform (Trading member) of this occurrence in writing. As soon as (Trading member) is of the opinion that the counterparty's ability to perform its obligations under this contract is impaired, (Trading member) has the right to accelerate the counterparty's obligations under this contract or to reverse this contract provided however that (Trading member) will give reasonable notice of its intentions to the counterparty.
- 8) The amount payable to (Trading member) by the counterparty pursuant to Clause 5 above shall be payable on demand immediately upon receipt of a written notification from (Trading member) stating that such amount is due and payable.
- 9) That in addition to any general lien or similar right to which (Trading member) as bankers may be entitled by law, (Bank) may at any time and without notice combine or consolidate all or any of the counterparty's deposits or accounts with and liabilities to (Trading member) and set off or transfer any sum or sums standing to the counterparty's credit, including but not limited to cash, cheques, valuables deposits, securities, negotiable instruments or other assets belonging to the counterparty with (Trading member) or towards satisfaction of any of the counterparty's liabilities to (Trading member) on any other account or in any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.
- 10) No amendment or waiver of any provision of this Agreement or consent to any departure by the counterparty therefrom shall in any event be effective unless the same shall be in writing signed by the authorised signatories of (Trading member) and then such waiver or consent shall be effective only in specific instance and for the specific purpose for which it was given.
- 11) This contract is operative from the date of both parties signing the contracts.

Agreed and accepted on behalf of

Counterparty;

Signatory

----- Authorised
Authorised Signatory

Agreed and accepted on behalf of:

Authorised Signatory

Authorised Signatory

Appendix Five (A) - Contract Letter Format for Forward Foreign Exchange Sale

Date:
The Treasurer

Dear Sir

RE: FORWARD SALE OF US\$.....

Further to the discussion between our _____ and your _____, we hereby confirm our willingness to sell foreign currency subject to the following terms:

Seller (Trading Member)	
Buyer (Trading Member)	
Currency (US\$)	
Amount (US\$)	
Exchange Rate (\$/N)	
Naira Equivalent (N)	

Conditions precedent (Trading member) will deliver Naira equivalent to our CBN account.....through RTGS on (Date)..... (Trading member) shall transfer US Dollars to your offshore account on.....valuedate. Kindly advise us on your offshore account to be credited.

Please note that the responsibilities and obligations of the parties herein are subject to the attached Forward Foreign Exchange Sales Agreement and to the applicable Foreign Exchange laws and regulations in Nigeria.

We will charge a penalty of 7 day NIBOR + 2% on the Naira amount for every day it remains undelivered after value date.

Above transaction should be reported to the Central Bank of Nigeria as an inter-bank transaction of the month of..... (transaction month).

Kindly indicate against two authorized signatures your acceptance of this offer.

Yours faithfully

Authorised Signatory

Authorised Signatory

Terms Accepted:

Authorised Signatory

Authorised Signatory

Appendix Five (b) – Agreement Letter Format for Forward Foreign Exchange Sales

(Trading member) of(Address) (hereinafter referred to as “(Trading member)”) confirms the forward sale of foreign currency to (Counterparty) (hereinafter referred to as the “Counterparty”) under the following terms:

Date of Agreement	
Counterparty	
Address of Counterparty	
Foreign Currency Amount (Us\$)	
Exchange Rate (\$/N)	
Local Currency Amount (N)	
Tenor (Days)	
Foreign Currency Delivery Date	
Local Currency Delivery Date	
Delivery of Foreign Currency To	
Delivery of Local Currency To	

(Trading member) and the counterparty irrevocably and unconditionally agree to the following conditions.

- Exchange contracts are not assignable.
- The performance of this contract and the delivery of the exchange described herein is subject to any laws, regulations, decrees, administrative rules and orders which may from time to time be authorised by the Federal Government of Nigeria and/or by the Central Bank of Nigeria and/or any other regulatory authorities in Nigeria.
- It is hereby agreed and understood that (Trading member) accepts no liability whatsoever for any loss which the counterparty may suffer from the interruptions or breach of this contract for the reasons stated above.
- As security for this transaction, the counterparty agrees to provide to (Trading member) such security as may be mutually agreed by both parties by way of margin for this Forward Foreign Exchange Contract.
- In the event of the counterparty’s failure to perform under this contract, (Trading member) reserves the right to reverse this act as well as any other contract between (Trading member) and the counterparty at (Trading member’s) sole discretion. Further, in the event the counterparty defaults on any of its other commitments to (Trading member), (Trading member) reserves the right to reverse this contract.
- In the event of non-performance by the counterparty under this contract the counterparty undertakes to pay an amount (which shall not be a negative amount for (Trading member) of liquidated damages to (Trading member) which shall be calculated as the current selling rate of the foreign currency minus the Contracted Exchange Rate multiplied by the contract amount, to have been delivered hereunder:
Liquidated Damages = (Current Selling Rate - Contract Exchange) x Contract Amount
- For the purposes of Clause 6 above the following terms shall be defined as follows:

- a) Current selling rate shall be the prevailing exchange rate of the foreign currency.....as determined by multiplying (Trading member)'s selling rate for dollars by the.....buying rate for the currency of this contract (if other than in dollars) on the datecontract is reversed.
- b) Contracted Exchange Rate shall be the exchange rate for the sale of foreign currency as agreed by both parties herein and stated as **\$/N.....**
- c) Contracted Exchange Rate shall be the exchange rate for the sale of foreign currency to be bought by the counterparty from (Trading Member) and stated as **\$.....**

- 8. As soon as the counterparty is aware of a material adverse change which may impair the counterparty's ability to perform its obligations under this contract, the counterparty is obligated to inform (Trading Member) of this occurrence in writing. As soon as (Trading Member) is of the opinion that the counterparty's ability to perform its obligations under this contract is impaired,(Trading Member) has the right to accelerate the counterparty's obligations under this contract or to reverse this contract provided however that (Trading Member) will give reasonable notice of its intentions to the counterparty.
- 9. The amount payable to (Trading Member) by the counterparty pursuant to Clause 7aboveshall be payable on demand immediately upon receipt of a written notification from(Trading Member) stating that such amount is due and payable.
- 10. That in addition to any general lien or similar right to which (Trading Member) as bankers maybe entitled by law,(Trading Member) may at any time and without notice combine or consolidate all or any of the counterparty's deposits or accounts with and liabilities to (Trading Member) and set off or transfer any sum or sums standing to the counterparty's credit, including but not limited to cash, cheques, valuables, deposits ,securities, negotiable instruments or towards satisfaction of any of the counterparty'sliabilities to(Trading Member)on any other account or in any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.
- 11. No amendment or waiver of any provision of this Agreement nor consent to any departure by the counterparty therefrom shall in any event be effective unless the same shall be in writing signed by the authorised signatories of(Trading Member) and then such waiver or consent shall be effective only in specific instance and for the specificpurpose for which it was given.
- 12. This contract is operative from the date of both parties signing the contract.

Agreed and accepted on behalf of

 Authorised Signatory

 Authorised Signatory

Agreed and accepted on behalf of:
(Trading Member)

 Authorised Signatory

 Authorised Signatory

Appendix Six—Schedule of FX Transactions Under Two-Way Quote Dealing System

WEEK ENDING:

Trading Member:

FX PURCHASED FROM OTHER MEMBERS

	TOTAL AMOUNT (\$mm)
SPOT	
FORWARD	
• 14 DAYS	
• 30 DAYS	
• 45 DAYS	
• 60 DAYS	
• OTHERS	

FX SOLD TO OTHER TRADING MEMBERS

	TOTAL AMOUNT (\$mm)
SPOT	
FORWARD	
• 14 DAYS	
• 30 DAYS	
• 45 DAYS	
• 60 DAYS	
• OTHERS	

Appendix Seven – Proposed Newsletter

PROPOSED NEWSLETTER

FMDQ EXCO

2-WAY QUOTE DEALING SYSTEM NEWSLETTER FOR THE MONTH ENDED

1. ACTIVITY

No. Of Trades	
Volumes (\$mm)	
Spot	
Forward	
14 Days	
30 Days	
45 Days	
60 Days	
90 Days	
120 Days	
180 Days	
No. of trading members participating	

2. ARBITRATION COMMITTEE DECISIONS

Complaint	
Defending	
Reasons For Dispute	
Arbitration Committee	
Pronouncements	

3. UNETHICAL PRACTICES REPORT

Bank Report	
Reported By	
Reasons For Report	
No. Of Times So Far Reported	

4. SUSPENSION LIST

Suspended Bank	
Effective Date	
Termination Date	
No. Of Times Suspended	

Appendix Eight – Format of the Acceptance and Commitment Letter

DATE:

The CEO
FMDQ OTC PLC
Plot 1398b, Tiameyi Savage Street
Victoria Island, Lagos.

Dear Sir,

RE: 2-WAY QUOTE FX DEALING SYSTEM - ACCEPTANCE AND COMMITMENT LETTER

We write on behalf of *XYZtrading member* in respect of the “GUIDELINES FOR FOREIGN EXCHANGE TRADING ACTIVITIES IN THE 2-WAY QUOTE MARKET”.

We have carefully studied the documents in detail and affirm that we fully understand all the issues contained therein. Accordingly, we wish to confirm our acceptance of the guidelines and willingness to participate in the spot/spot forward market(s) (delete whichever is inapplicable).

We agree that as a committed participant, we are bound by and undertake to abide by the laid-down rules and regulations governing the operations of the market as contained in the guideline and as may from time to time, be amended or added to (so far as such amendments/additions are pre-advised and agreed upon).

We agree to accept decisions of the FMDQ and the Arbitration Panel in inter-bank disputes. We agree that decisions are subject to existing arbitration laws of the Federal Government of Nigeria.

We also agree that the Director of the Foreign Operations Department (FOD) or his designate, shall have the final say on disputes relating to transactions with the Central Bank of Nigeria (CBN). We accept that CBN may apply sanctions which will be monetary and/or recommend expulsion from the 2-Way Quote market, where necessary.

We shall be liable /responsible for all actions of our FX Dealers listed in the FMDQ Dealers’ Directory or as otherwise advised by us in writing.

For and on behalf of:

.....
(Name of Institution)

.....
(TREASURER/CHIEF DEALER)

.....
(MANAGING DIRECTOR/CHIEF EXECUTIVE)