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**Description of Cleared Naira-Settled Non-Deliverable Forwards Market Architecture Documentation**

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**FMDQ Securities Exchange Limited**

**October 16, 2023**

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The table below provides descriptions of the documentation that support the Cleared Naira-Settled Non-Deliverable Forwards (“Cleared USD/NGN NDFs”) Market Architecture. This is to ensure harmonisation of the understanding of the Cleared USD/NGN NDFs market structure and the taxonomy of its supporting documentation.

S/N	Documentation	Description	Current Version	Link
1.	FMDQ Cleared Naira-Settled Non-Deliverable Forwards Market Operational Standards (the “Standards”)	<p>Endorsed by the Central Bank of Nigeria (“CBN”) on July 27, 2016, the Standards serve as the principal document established to outline the governance structure and standards for all transactions in the Cleared USD/NGN NDFs including transactions between Transaction Counterparties and transactions between FMDQ-licenced Dealing Member (Banks) (“DMBs”) and their Clients.</p> <p>By virtue of the CBN’s endorsement, FMDQ Securities Exchange Limited (“FMDQ Exchange” or the “Exchange”) is authorised to review and revise the Standards from time to time in line with market dynamics. This may be effected through the issuance of Market Bulletins, or in circumstances where the revisions may be numerous or significant, the issuance of a revised Standards document.</p>	August 16, 2018	Click <a href="#">here</a> to view
2.	FMDQ Cleared Naira-Settled Non-Deliverable Forwards Market Framework (the “Framework”)	<p>The Framework is a market structure document designed to provide insight into the key characteristics of the market. These include the contract specifications, margining processes, mark-to-market valuation methods, settlement procedures, <i>inter alia</i>, and defines the relationship between the key Transaction Counterparties (i.e. the CBN and DMBs).</p> <p>The Framework does not outline the governance structure for the entire Cleared USD/NGN NDFs market, and whilst it may be read in conjunction with the Standards, the Standards guide all transactions (including transactions between DMBs and Clients) and as such, provides the authority to support the actions which FMDQ Exchange may take in the organisation and governance of activities in the Cleared USD/NGN NDFs market.</p>	Version 9.0 – October 16, 2023	Click <a href="#">here</a> to view
3.	FMDQ Cleared Naira-Settled Non-Deliverable Forwards Market Close-	The Methodology is issued pursuant to the Standards and the Framework and outlines the mechanism for the determination of amounts due to the relevant parties where early terminations of	October 16, 2023	Click <a href="#">here</a> to view

S/N	Documentation	Description	Current Version	Link
	Out Methodology (the “Methodology”)	Cleared USD/NGN NDFs contracts occur following the declaration of an Event of Default as defined in the Standards.		
4.	Market Bulletins (“MBs”)	<p>MBs provide information on regulatory issues ranging from the introduction of new regulation, proposed changes or updates to the regulation, as well as guidance in relation to compliance with regulation as may be prescribed by the Exchange from time to time.</p> <p>In the context of the Cleared USD/NGN NDFs market, MBs may be issued to expand on, clarify, update, or expatiate on the provisions of the regulation i.e. the Standards.</p>	Not applicable	Click <a href="#">here</a> to view
5.	Market Notices (“MNs”)	<p>MNs are written communications issued periodically and specific to information on products’ and markets’ issues, ranging from new product releases, amendments to existing operating procedures, risk management arrangements, to decisions that may affect Members and other stakeholders of the Exchange.</p> <p>In the context of the Cleared USD/NGN NDFs market, MNs may be issued as addendums, to enhance or expatiate on the contents of the Framework.</p>	Not applicable	Click <a href="#">here</a> to view