

March 5, 2021

FMDQ/MRG/050321/MB-41

To: ALL DEALING MEMBER (BANKS)

From: MARKET REGULATION GROUP

UNCLAIMED/FORFEITED SETTLEMENT AMOUNTS IN THE OTC FX FUTURES RESOLUTION ACCOUNT

1. This Market Bulletin seeks to notify all Dealing Member (Banks) ("**DMBs**") of FMDQ Securities Exchange Limited ("**FMDQ Exchange**" or the "**Exchange**") of actions being taken with respect to unclaimed/forfeited Settlement Amounts domiciled in the OTC FX Futures Resolution Account (the "**Resolution Account**")¹.
2. In accordance with the OTC FX Futures Market Operational Standards (the "**Standards**"), the following funds shall be held in the OTC FX Futures Resolution Account with the Clearing House until a final decision is made by the Exchange on the application of the funds:
 - (i) Unreleased Settlement Amounts (i.e. all Settlement Amounts that have not been released to Clients within ten (10) Business Days of maturity of the OTC FX Futures contract, due to failure to provide the necessary and complete documentation referred to in section 4.2 of the Standards or failure to provide evidence of a valid Certificate of Capital Importation at maturity of an OTC FX Futures contract as referred to in section 6.1(i) of the Standards).
 - (ii) Settlement Amounts which have been debited by the Clearing House from the DMBs Central Bank of Nigeria ("**CBN**") operating account due to finding of invalidated transaction documents or such other violations of the Standards.
 - (iii) Forfeited Settlement Amounts (e.g. due to purchase of Spot FX prior to maturity of an OTC FX Futures contract, inability to transfer an OTC FX Futures contract in line with section 6 of the Standards or such other circumstance as may be determined by the Exchange from time to time).
 - (iv) Such other Settlement Amounts as may be determined by the Exchange from time to time.
3. Kindly be informed that funds held in the Resolution Account for OTC FX Futures contracts that matured from inception of the OTC FX Futures Market, June 2016, to December 2019, have now been transferred to the CBN.
4. Based on the foregoing, the Exchange will be unable to process requests or claims for Settlement Amounts on funds held in the Resolution Account within the above-mentioned timeframe.
5. Kindly take note and be guided accordingly.

¹ means a designated account with the Clearing House where unapplied and returned Settlement Amounts are held temporarily pending resolution of issues relating to OTC FX Futures transactions.