

August 7, 2024

FMDQ/RRG/070824/MB-50

To: ALL REGISTRATION MEMBERS (QUOTATIONS)

From: RULES & REGULATION GROUP

**AMENDMENTS TO FMDQ COMMERCIAL PAPER REGISTRATION AND QUOTATION INFRACTIONS & PENALTIES GUIDE**

1. This Market Bulletin seeks to notify all Registration Members (Quotations) (“**RMQs**”) of FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) of the amendments to the FMDQ Commercial Paper Registration and Quotation Infractions & Penalties Guide – October 2023 (the “**CP Infractions & Penalties Guide**”).
2. In a bid to enshrine the culture of timeous disclosure, reduce information asymmetry, and promote transparency and integrity of its markets, by ensuring Issuers and RMQs discharge their duties and obligations in respect of filing of all documentation requirements for the Registration and Quotation of Commercial Papers (“**CPs**”)<sup>1</sup> as and when due, the Exchange conducted a review of the CP Infractions & Penalties Guide and introduced amendments accordingly. (*See the Appendix below for a summary of amendments*).
3. The amendments to the CP Infractions & Penalties Guide cover the following areas *inter alia*:
  - Upgrade of the penalty for failure to regularise deferred documentation requirements within the timeline stipulated by the Exchange
  - Introduction of an infraction for failure to file complete and accurate documentation requirements within the timeline stipulated by the Exchange.
4. The amended CP Infractions & Penalties Guide shall take effect immediately and shall apply to all ongoing and prospective CPs issuances on the Exchange.
5. RMQs are hereby advised to take note of the amended CP Infractions & Penalties Guide to ensure compliance.

Please be guided accordingly.

Click [here](#) to view the amended CP Infractions & Penalties Guide.

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<sup>1</sup> This includes Non-Interest Commercial Papers

## Appendix: Amendments to the Commercial Paper Registration and Quotation Infractions & Penalties Guide

A summary of amendments to the CP Infractions & Penalties Guide are provided in the table below:

Previous Provision			Amended Provision		
Ref. S/N <sup>2</sup>	Infraction	Penalties Grid	New S/N	Infraction	Penalties Grid
8.	Failure of the Sponsor to provide the complete and accurate CP quotation documentation and disclosure requirements within seven (7) Business Days from the CP/NICP Issue Date.	i. <b>First time:</b> Notice of Infraction to the Compliance Officer of the Sponsor with the MD/CEO in copy. ii. <b>Second time:</b> Fine of ₦250,000.00 (two hundred and fifty thousand Naira) and ₦25,000.00 (twenty-five thousand Naira) for each business day the Infraction subsists iii. <b>Third time:</b> Fine of ₦500,000.00 (five hundred thousand Naira) and ₦50,000.00 (fifty thousand Naira) for each business day the Infraction subsists  <i>Where there are subsequent occurrences of the infraction, penalties prescribed shall be as determined by the Exchange.</i>	8.	Failure of the Sponsor to provide the complete and accurate CP quotation documentation and disclosure requirements within seven (7) Business Days from the CP/NICP Issue Date.	i. <b>First time:</b> Notice of Infraction to the Compliance Officer of the Sponsor with the MD/CEO in copy. ii. <b>Second time:</b> Fine of ₦250,000.00 (Two Hundred and Fifty Thousand Naira) and ₦25,000.00 (Twenty-Five Thousand Naira) for each business day the Infraction subsists. iii. <b>Third time:</b> Fine of ₦500,000.00 (Five Hundred Thousand Naira) and ₦50,000.00 (Fifty Thousand Naira) for each business day the Infraction subsists.  <i>Where there are subsequent occurrences of the infraction, penalties prescribed shall be as determined by the Exchange.</i>
			9.	Failure of the Sponsor to file complete and accurate documentation requirements within the timeframe stipulated by the Exchange.	
9.	Filing of a waiver/deferral request letter later than one (1) Business Day before expiration of the timeframe specified by the Exchange.	i. <b>First time:</b> Notice of Infraction to the Compliance Officer of the Sponsor. ii. <b>Second time:</b> Notice of Infraction to the Compliance Officer of the Sponsor with the MD/CEO in copy. iii. <b>Third time:</b> Fine of ₦100,000.00 (one hundred thousand Naira) and ₦10,000.00	10.	Filing of a waiver/deferral request letter later than one (1) Business Day before expiration of the timeframe specified by the Exchange.	i. <b>First time:</b> Notice of Infraction to the Compliance Officer of the Sponsor with the MD/CEO in copy. ii. <b>Second time:</b> Fine of ₦100,000.00 (One Hundred Thousand Naira) and ₦10,000.00 (Ten Thousand Naira) for each business day the Infraction subsists.

<sup>2</sup> This refers to the serial number in the CP Infractions & Penalties Guide – October 2023

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Previous Provision		Amended Provision			
		(ten thousand Naira) for each day business the Infraction subsists iv. <b>Fourth time:</b> Fine of ₦250,000.00 (two hundred and fifty thousand Naira) and ₦25,000.00 (twenty-five thousand Naira) for each business day the Infraction subsists <i>Where there are subsequent occurrences of the infraction, penalties prescribed shall be as determined by the Exchange.</i>			iii. <b>Third time:</b> Fine of ₦250,000.00 (Two Hundred and Fifty Thousand Naira) and ₦25,000.00 (Twenty-Five Thousand Naira) for each business day the Infraction subsists. <i>Where there are subsequent occurrences of the infraction, penalties prescribed shall be as determined by the Exchange.</i>
10.	Failure of the Sponsor to regularise deferred requirements within the timeframe stipulated by the Exchange.		11.	Failure of the Sponsor to regularise deferred requirements within the timeframe stipulated by the Exchange.	<b>Fine of ₦50,000.00 (Fifty Thousand Naira) for each business day in which the documentation requirement(s) remains outstanding.</b>