



PRIVATE COMPANIES' NOTES NOTING GUIDELINES

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PART A: DEFINITIONS AND INTRODUCTION

DEFINITIONS

The following terms and expressions shall, unless the context otherwise requires, have the following meanings in these FMDQ Private Markets Limited (“**FMDQ Private Markets**” or the “**Private Markets**”) Private Companies’ Notes Noting Guidelines:

“ Agency Agreement ”	means an Agreement between the Issuer/Promoter and the IPA or CPA which highlights the duties and obligations of both the Issuer/Promoter and the IPA or CPA in respect of the PCN Issue/Programme (<i>See definition of IPA/CPA below</i>).
“ Amendment and Restatement ”	means the method of revision adopted where the revisions to a PCN Programme are numerous and/or material, or subject to the consolidation of several supplementals already issued.
“ Applicable Law ”	means any law, statute, code, ordinance, decree, rule or regulation (including regulations of FMDQ Private Markets) as may relate to activities of private companies within the Nigerian capital markets (as may be revised, updated, and/or amended from time to time).
“ Board ”	means the Board of Directors of FMDQ Private Markets Limited.
“ Business Day ”	means a day (other than a Saturday, Sunday or Federal Government of Nigeria declared public holiday) on which banks are open for business in Nigeria.
“ CBN ”	means Central Bank of Nigeria.
“ CAC ”	means the Corporate Affairs Commission.
“ CAMA ”	means the Companies and Allied Matters Act CAP C20 LFN 2004 (as may be amended or supplemented from time to time).
“ Central Securities Depository (CSD) ”	means FMDQ Depository Limited, the recognised specialist financial market infrastructure for holding of securities either in certificated or uncertificated (Dematerialised) form so that ownership can be easily transferred through a book entry rather than the transfer of physical certificates.
“ Clean PCN ”	means a PCN not backed by a guarantee or such other credit enhancement.
“ Collecting and Paying Agent (CPA) ”	means the institution performing the functions of collecting and paying funds from/to investors on behalf of the Issuer/Promoter, which shall be FMDQ Depository Limited.
“ Commission ”	means the Securities and Exchange Commission, Nigeria.
“ Committee ”	means the FMDQ Private Markets committee established by the Board to oversee the entire spectrum of the FMDQ Private Markets securities noting/information repository service including but not limited to making determinations as to whether securities meet the PCN Noting Guidelines and continuous reporting and disclosure requirements as prescribed in any FMDQ

	Private Markets guidelines and other Terms and Conditions
“Company”	means a company as defined by the Companies and Allied Matters Act Cap C20 LFN 2004.
“Compliance Report”	means a periodic report prepared and submitted by a PCN Issuer through its Transaction Sponsor, confirming compliance with the continuous reporting and disclosure requirements as provided in these Guidelines and other disclosure standards as may be prescribed by Private Markets from time to time.
“Cradle Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.3 of these Guidelines.
“Custodian”	means an entity which holds securities for safekeeping.
“Default Rate”	means interest rate equivalent to the daily overnight NIBOR + 5% per annum or Issue rate + 5% per annum (whichever is higher).
“Dematerialise”	means the process by which PCNs are converted into electronic form.
“Director”	means a director as defined by CAMA.
“Discreet Issue”	means a single PCN issuance which is not established under a PCN Programme.
“FMDQ Private Markets Limited” or “Private Markets”	means FMDQ Private Markets.
“FMDQ Private Markets Terms and Conditions” or “Terms and Conditions”	means guidelines, and such other directive as may be prescribed by Private Markets from time to time.
“Financial Institution”	means a financial markets operator regulated within the financial services industry in Nigeria or offshore, recognised by FMDQ Private Markets.
“Growth Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.2 of these Guidelines.
“Guaranteed PCN”	means a PCN backed by a guarantee or such other credit enhancement.
“Guidelines”	means these FMDQ Private Markets Private Companies’ Notes Noting Guidelines.
“Issue”	means a PCN noted or sought to be noted on the PCS Portal (Restricted).
“Issuer”	means a private limited company that intends to access the capital markets through the issuance of Private Companies’ Notes.
“Issuing and Placing Agent” or “IPA”	means a non-bank financial institution sponsoring the enrolment/noting of PCN Programmes and Issues on the PCS Portal (Restricted), and the placement of PCNs with investors at the primary issuance. The IPA must be a duly registered Transaction Sponsor (Notes) of Private Markets.
“Main Board”	means the market segment designated on the PCS Portal (Restricted) for corporates who meet the applicable provisions in section 5.1 of these Guidelines.
“Offer Documents”	means any document containing relevant information to help an investor make an investment decision. Such documents may include a programme memorandum or equivalent document.

“PCS Portal (Restricted)”	means the restricted, access only Private Companies’ Securities Information and Distribution Portal which serves as the repository for PCN disclosures and trade data noted by the Private Markets’ Platform. This Portal is restricted to QIIs as recognised in the Nigerian capital markets.
“Placement Memorandum”	means a document which serves to provide prospective investors with information on the Issuer/Promoter and PCNs sought to be issued under the Programme/Discreet Issuance. Placement/ Information memoranda include circulars, explanatory memoranda, or other equivalent document relating to the issuance of PCNs.
“Private Placement”	means a process involving the offer and sale of PCNs to identified investors that does not otherwise constitute a public offering.
“Programme”	means the method of issuance of PCNs that allows for multiple issues covered by a standardized documentation framework.
“Private Companies’ Note” or “PCN”	means the document signed by a borrower promising to repay the borrowed sum under agreed terms and conditions.
“Promoter”	means a legal entity with substantial interest in the establishment of an Issuer incorporated as a Special Purpose Vehicle/Special Purpose Entity (SPV/SPE). A Promoter may also be referred to as a “parent company” which typically holds significant ownership and control of the SPV/SPE.
“Qualified Institutional Investor” or “QII”	includes banks, fund managers, asset managers, pension fund administrators, insurance companies, multilateral institutions, registered private equity funds, registered hedge funds, trustees, custodians, stockbroking firms and any other category of investors as may be recognised as QII by FMDQ Private Markets.
“Rollover”	means the reinvestment of funds by the same investors upon the maturity of a noted PCN into a new Issue.
“Settlement Date”	means the date on which payment is made to the Issuer/Promoter for PCNs sold to investors.
“Shelf Filing”	means the filing undertaken by an Issuer intending to access the market soon. It permits an Issuer to disclose certain information in a core disclosure document that is updated on a regular basis through supplemental documents. For the purposes of these Guidelines, a Shelf Filing shall be valid for a period of three (3) years or such other period advised by Private Markets but may be renewed by the Issuer/Promoter upon filing of necessary documentation as may be prescribed by Private Markets from time to time.
“Supplemental”	means a method of revision adopted where the revisions to the PCN Programme are not significant, material or fundamental.
“Transaction Sponsors” or “Transaction Sponsors (Notes)”	means financial institutions, non-bank financial institutions, other financial services operators and related professional services firms in Nigeria and offshore, duly registered by their relevant regulators/professional bodies and recognised by FMDQ Private Markets, that are registered by FMDQ Private Markets to sponsor the noting of Private Companies’ Securities on the PCS Portal (Restricted).
“Transfer Agency Services”	means management of issued securities, records, issuer servicing and asset servicing activities to issuers and investors in such a manner as to provide a consistent client experience

“Unique Identifier”	means a code specifically designated/assigned to identify a PCN.
“Underwriting Agreement”	means an agreement to buy all or part of the new Issue of PCNs to be offered/held for sale with a view to a resale and not as a form of investment. There are two (2) basic types of underwriting: <ol style="list-style-type: none"><li data-bbox="503 378 1430 535">1. Firm underwriting: Where the Issuer/Promoter sells the entire Issue to the underwriter, who then attempts to resell the securities. The Issuer/Promoter receives the agreed amount and all the risks associated with selling the securities are transferred to the underwriters.<li data-bbox="503 535 1430 648">2. Standby underwriting: Where the underwriter is legally bound to take and pay up to the underwritten percentage only if the Issue is not fully subscribed.

1. INTRODUCTION

- 1.1. PCNs are short-term debt instruments issued by corporate bodies. For many medium to large, creditworthy Issuers/Promoters, it is a competitive alternative to bank loans, a way of raising working capital at short-term interest rates offering competitive returns to investors in compensation for the Issuer/Promoter's credit risk. Consequently, the Guidelines seek to establish the framework through which private companies that have accessed the Nigerian capital markets through the issuance of PCNs via private placement can provide the required level of transparency on the Issuer and/or the Issue to qualified investors, through fulfilment of the Private Markets' disclosure and reporting requirement.
- 1.2. Issuers/Promoters who wish to enrol and note their PCNs on the PCS Portal (Restricted) must, in addition to complying with these Guidelines, execute a written undertaking accepting to comply with the post-noting requirements of Private Markets as well as the declaration of compliance in the manner prescribed in Template I and II of the Templates Guide.
- 1.3. Issuers/Promoters/Sponsors seeking enrolment/noting privileges are encouraged to comply with the highest standards of corporate governance as may be prescribed by Private Markets or such other Applicable Law and imbibe the highest degrees of corporate discipline, transparency and accountability within the tenets of their operations.
- 1.4. FMDQ Private Markets seeks to ensure that information on PCNs which are voluntarily presented to Private Market by Issuers, maintain a required level of transparency at all times and that private companies offering their debts securities in the capital markets meet a minimum standard of disclosure as prescribed in these Guidelines.
- 1.5. The ultimate aim of these Guidelines is to serve as the benchmark for how this market segment may be structured in Nigeria. The Guidelines also outline the continuous reporting and disclosure requirements in respect of the PCN Programmes/Issuances noted by Private Markets via the PCS Portal (Restricted).
- 1.6. Issuers who wish to enrol/note their PCN Programmes/PCNs on the FMDQ Private Markets PCS Portal (Restricted) voluntarily subject their issuances to these Guidelines and may, prior to issuance, voluntarily present same for pre-assessment by Private Markets. Issuers consequently undertake to maintain compliance with the continuous reporting and disclosure requirements as outlined in these Guidelines or as may be prescribed by Private Markets from time to time.
- 1.7. Issuers and Transaction Sponsors shall ensure that all PCN Programmes/Discreet Issues and Series sought to be enrolled/noted by Private Markets abide by the provisions of the Guidelines and other Terms and Conditions, failing which, FMDQ Private Markets reserves the right to decline any application to enrol/note such PCN Programmes/Discreet Issues and Series.
- 1.8. IPAs/RAs shall in addition to complying with these Guidelines, also comply with all relevant Private Market Guidelines and Terms and Conditions.
- 1.9. Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCN Programme/Issuance must note that trading of PCNs on the PCS Portal (Restricted) is prohibited. However, all executed trades must be subsequently reported on the Private Markets' PCS Portal (Restricted).

- 1.10. In the event that a Transaction Sponsor is unable to file required document(s) or file the document(s) within the timeframe specified in these Guidelines for noting of a PCN, the Transaction Sponsor may file a waiver/deferral request letter, no later than one (1) Business Day before the expiration of the timeframe. The letter shall provide concrete justifications to satisfy Private Markets that such provisions are not applicable or should be exempt (in the case of a waiver) and specify a timeline for regularisation (in the case of a deferral).
- 1.11. FMDQ Private Markets may waive or defer any of the requirements of these Guidelines if it is satisfied that the Issuer/Promoter and/or Transaction Sponsor have sufficient and satisfactory reasons why such requirements are not applicable or should be waived or deferred subject to fulfilment of conditions outlined in the Guidelines.
- 1.12. The Committee retains absolute discretion to accept or reject applications for the enrolment/noting on the PCS Portal (Restricted).
- 1.13. These Guidelines shall be read in conjunction with the relevant FMDQ Private Markets Terms and Conditions and such other Applicable Law as may be prescribed from time.
- 1.14. These Guidelines are non-exhaustive and may be subject to review and amendment from time to time.

2. IMPORTANT NOTICES

- 2.1. PCNs are neither approved nor registered by the Commission. To this end, no application in respect of the enrolment/issuance of a PCN Programme/Issuance may be made to the Commission for registration of the securities or clearance of any document related to the enrolment, issuance, offer, transfer or sale of PCNs. Consequently, the enrolment, issuance, offer, sale or transfer of PCNs shall not in any manner whatsoever, be deemed as an endorsement by the Commission of the securities of the Issuer.
- 2.2. PCN Programmes/Issuances sought to be enrolled/noted by Private Markets shall be issued by way of Private Placement and shall not in any manner whatsoever involve invitation to the public as defined in the Investments and Securities Act 2007. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCNs or in respect of any Placement Memorandum, supplemental memoranda or other document related to the enrolment, issuance, offer, sale or transfer of securities issued. Consequently, the noting of the Issue and subsequent PCNs issued under an enrolled Programme shall not be advertised or publicised.
- 2.3. The FMDQ Private Markets PCN noting service provides a platform for the collation and repository of disclosures of private companies' activities in the Nigerian capital markets and does not constitute an invitation to the public as defined in the Investments and Securities Act 2007 (as may be amended or supplemented from time to time), nor does it entail the admission of the PCNs to Quotations List of FMDQ Securities Exchange Limited.
- 2.4. Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCN Programme/Issuance shall ensure that the provisions of these Guidelines and applicable Terms and Conditions have been abided by prior to the establishment and/or the enrolment, issuance, offer, sale of PCNs to investors in the primary market.
- 2.5. PCNs sought to be noted by Private Markets shall not have been made available for sale to the public

but have been bought by/sold to QIIs on a targeted basis.

- 2.6. PCN Issuers and Transaction Sponsors voluntarily present their applications for enrolment/noting of their PCN Programmes/Issuances on the PCS Portal (Restricted) by Private Markets.
- 2.7. The PCS Portal (Restricted) shall be accessible only to relevant QIIs (as recognised in the Nigerian capital markets).
- 2.8. Any violation of the prohibitions outlined in these Guidelines including but not limited to the restrictions on “invitations to the public” as provided in the Investments and Securities Act 2007 (as may be amended or supplemented from time to time) may attract criminal and/or civil liability under Applicable Law.
- 2.9. PCN Issuers/Transaction Sponsors shall bear full responsibility for the accuracy and completeness of information provided in accordance with these Guidelines. Private Markets shall bear no responsibility for the accuracy or completeness of information provided thereof and expressly disclaims any liability whatsoever for any loss howsoever arising from participation in the enrolment, issuance and noting of PCN Programmes/PCNs on the PCS Portal (Restricted).

PART B: NOTING OF PRIVATE COMPANIES' NOTES

3. GENERAL GUIDELINES

- 3.1. An application for the enrolment/noting of PCN Programmes/Issuances in the PCS Portal (Restricted) shall be submitted by a Transaction Sponsor approved by FMDQ Private Markets.
- 3.2. All applicants shall submit the FMDQ Private Markets-advised Application Form, along with all documentation requirements and disclosures as prescribed in these Guidelines or as may be required from time to time. All applications must be accompanied by the requisite non-refundable application fees set out in the FMDQ Private Markets-advised fees & dues framework.
- 3.3. Issuers/Promoters must have satisfied all the requirements prescribed by the Committee including but not limited to the prescribed contents of its Offer Documents as stated in Appendix I of these Guidelines.
- 3.4. Upon approval of an application for enrolment/noting of a PCN Programme/Discreet Issue, the PCN shall be enrolled/noted on the PCS Portal (Restricted) provided that the noting requirements as prescribed in these Guidelines are satisfied.
- 3.5. Issuers/Promoters shall make full disclosures (initial and continuous) in accordance with these Guidelines and as may be prescribed by FMDQ Private Markets from time to time.
- 3.6. Where any of the documentation outlined in Appendix III have been previously filed with the Private Markets and same remains valid and subsisting, the Issuer/Promoter shall file a Declaration of Prior Disclosure as outlined in Template VI of the Template Guide.
- 3.7. All secondary market transfers of PCNs shall be strictly effected on a private and bilateral basis between QIIs, and subsequently reported on the Private Markets' PCS Portal (Restricted).
- 3.8. All Transaction Sponsors shall ensure that Issuers/Promoters are aware of their rights and obligations under the Guidelines and ensure, to their best ability, Issuers/Promoters comply with all reporting and disclosure obligations in respect of their enrolled/noted Programmes/Issues and shall

be required to furnish a quarterly Compliance Report to Private Markets in the prescribed form. See Template III of the Template Guide for Compliance Report.

- 3.9. FMDQ Private Markets may require the Transaction Sponsor(s) to show best efforts taken to ensure that it has advised and guided the Issuer/Promoter as to its responsibilities and ongoing reporting and disclosure obligations to ensure compliance with the Guidelines
- 3.10. Private Markets reserves the right to remove any PCN from the PCS Portal (Restricted) for failure of an Issuer/Promoter or other relevant party to the Issue to abide by the provisions these Guidelines.
- 3.11. Prospective Transaction Sponsors and Issuers may voluntarily file transaction documents to Private Markets for review, prior to issuance. Pre-assessment reviews conducted by Private Markets shall not constitute an approval but may serve as confidential and non-binding guidance as to the potential eligibility of the enrolment/noting of the proposed PCN issuance.
- 3.12. Private Markets may grant exemptions to the application of these Guidelines, as it may deem necessary.
- 3.13. All Issuers granted enrolment/noting privileges by Private Markets shall pay the applicable annual fees and dues as provided in the FMDQ Private Markets fees & dues framework. These fees and dues may be subject to review from time to time.
- 3.14. Private Markets encourages all Issuers seeking enrolment/noting rights to comply with the highest standards of corporate governance as stipulated in any law of the Federal Republic of Nigeria and imbibe corporate discipline, transparency and accountability within the tenets of its operations.

4. CONDITIONS FOR NOTING OF PCNs

- 4.1. Features and Mode of Issue
 - (i) PCNs shall be issued by way of Private Placement and shall not in any manner whatsoever involve invitation to the public as defined in the Investments and Securities Act 2007.
 - (ii) PCNs shall be registered and lodged with the CSD recognised by Private Markets and assigned a Unique Identifier. Upon registration of the PCNs with the CSD, the PCN shall be lodged and evidence of lodgement shall be filed with the Private Markets no later than ten (10) Business Days after the approval for the noting of the PCN on the PCS Portal (Restricted).
 - (iii) PCNs shall be issued and held in Dematerialised form, registered and lodged with the CSD recognised by Private Markets.
 - (iv) PCNs may be interest bearing or issued at a discount to face value as may be determined by the Issuer/Promoter.
 - (v) PCNs shall be only redeemable at maturity. As such PCNs cannot be pre-liquidated and shall be issued option-free. Options (call or put) are not permitted.
 - (vi) PCNs may be issued as securitised debt in the form of asset-backed securities, mortgage-backed securities or such other securitisation mechanisms as may be permitted by Private Markets.
 - (vii) PCNs may be noted as a Discreet Issue or under an enrolled Programme provided that while noting an issue under a Programme, the Issuer through its Transaction Sponsor(s)

- shall file with Private Markets, any updated or supplemental Offer Documents with respect to each series/tranche, containing details of the new series/tranche and material changes and the impact of said changes, if any, in the information provided in the Offer Documents of the enrolled Programme.
- (viii) Multicurrency PCN Programmes may be enrolled on the PCS Portal (Restricted). Such PCN Programmes/Discreet Issuances may be supported by the Issuer/Promoter's foreign currency rating(s) provided by a credit rating agency registered or recognised in the Nigerian capital markets. PCNs issued under the enrolled multicurrency PCN Programme/Discreet Issuances must be denominated in currency specified in the applicable pricing supplement.
 - (ix) The maximum aggregate nominal amount and value of all PCNs outstanding under an enrolled PCN Programme, at any given time shall not exceed the Programme size enrolled by Private Markets.
 - (x) The minimum size of a PCN Issue (Discreet or under a Programme) shall be ₦50,000,000.00 (Fifty Million Naira) and in multiples of ₦10,000,000.00 (Ten Million Naira) thereafter or its equivalent for foreign currency PCN issues rounded to the nearest thousand.

4.2. Tenor and Validity Period

- (i) PCNs shall be issued for tenors between a minimum of 30 days and a maximum of 365 days.
- (ii) PCNs may be rolled over upon mutual agreement between the Issuer/Promoter and the investors.
- (iii) The combined tenors of the initial PCN Issue and any subsequent rollover(s) shall not exceed the 365- day threshold stipulated above. The detailed Rollover Process outlined in Appendix II of these Guidelines shall apply.
- (iv) Where a PCN is rolled over, the Issuer/Promoter shall be required to provide additional documentation as outlined in Appendix II of these Guidelines.
- (v) In the case of a PCN Programme, the Issuer/Promoter has the discretion to issue several series/tranches of PCNs with separate maturity dates or re-open existing PCN Issues (i.e. where there is no change in the maturity date).
- (vi) Enrolled PCN Programmes shall be effective for a period of three (3) years but may be extended in accordance with the provisions of section 7 of these Guidelines.
- (vii) Where a PCN Programme is renewed, this may be reflected on the PCS Portal (Restricted) as a renewed Programme upon filing of necessary documentation as may be prescribed by Private Markets from time to time, no earlier than three (3) months to the expiration of the validity period.

4.3. Minimum Level of Subscription

- (i) The Issuer/Promoter may state the minimum level of subscription for an Issue in the Offer Documents.
- (ii) Where a minimum level of subscription for an Issue is not stated in the Offer Documents, the minimum subscription level shall be 50% of the amount approved by the Issuer/Promoter's Board of Directors (where applicable).

- (iii) Where the level of subscription is below the minimum level as stated in section 4.3(i) or below 50% of the Issue size approved by the Issuer/Promoter's Board of Directors as stated in section 4.3 (ii) above, the IPA, shall prior to allotment, provide a signed attestation that investors have been made aware of this fact, failing which, the Issue shall not qualify for noting.
- 4.4. Underwriting and Liquidity of Private Companies' Notes
- (i) The Issuer/Promoter may, at its discretion execute an Underwriting Agreement to support its Issue.
 - (ii) Underwritten PCNs shall be exempt from the requirement of minimum level of subscription.
- 4.5. Credit Enhancement of the Issue
- (i) PCNs may be guaranteed (partially or fully) by any of the following entities:
 - (a) Federal Government of Nigeria.
 - (b) State Governments
 - (c) CBN-licenced banks.
 - (d) Development finance institutions.
 - (e) Credit guarantee agencies and corporations.
 - (f) Any other category of guarantor as may be approved by Private Markets.
 - (ii) Where the Issue is guaranteed by a corporate entity, such entity may have a valid and subsisting credit rating obtained from a credit rating agency registered or recognised in the Nigerian capital markets.
 - (iii) Where a guarantor's credit rating is downgraded, the Transaction Sponsor shall be required to inform Private Markets immediately it becomes aware.
 - (iv) Where a prospective guarantor is a non-bank corporate entity, in order for that entity to be deemed eligible under these Guidelines, the guarantor shall be required to meet the same eligibility criteria for Issuers/Promoters as prescribed in section 4 and such other requirements as may be prescribed by Private Markets from time to time.
 - (v) Private Markets shall require the Issuers/Promoters/Transaction Sponsors to provide relevant documents in respect of the guarantor which shall include but not be limited to the following:
 - (i) Deed of Guarantee or other equivalent document (See [Template IV](#): Contents of Guarantee Agreement).
 - (ii) Latest audited accounts of the guarantor not exceeding twelve (12) months from the from the date of the submission of the application for the enrolment/noting of the Programme/Discreet Issue/Series.
 - (iii) Latest interim unaudited financial statements of the guarantor not exceeding nine (9) months from the date of the application for the enrolment/noting of the PCN Programme/Issuance, signed by the Managing Director and Chief Financial Officer.
 - (vi) Issuers/Promoters may also execute credit enhancement arrangements with respect to their Issues under such conditions as may be determined by Private Markets from time to time.
 - (vii) Issuers/Promoters may be required to provide evidence that the credit enhancement arrangement (where applicable) is in place for the entire period that the PCN(s) remain outstanding and noted by Private Markets.

- 4.6. Shelf Filing of PCN
- (i) PCNs may be issued under a Programme enrolled by Private Markets.
 - (ii) Where the PCN is issued under a Programme, the Issuer/Promoter shall be required to file the applicable pricing supplement.
 - (iii) An enrolled Programme may be revised in accordance with the provisions of section 7 of these Guidelines.
- 4.7. Rating Requirements
- (i) The Issuer/Promoter or the PCN Issue/Programme may be rated by a credit rating agency registered or recognised in the Nigerian capital markets (as applicable).
 - (ii) The relevant rating (i.e. either Issuer/Promoter or Issue) shall be evidenced by a valid and subsisting credit rating report.
- 4.8. Eligible Investors
- (i) PCNs (Clean and Guaranteed) shall be sold to QIIs only.
- 4.9. Private Placement Guidelines
- (i) A resolution shall be passed by the board of directors/shareholders of the Issuer approving the Programme/Discreet Issue and said resolution shall be filed with Private Markets.
 - (ii) The offer and sale of PCNs shall not be advertised, mentioned, and/or discussed in any print and electronic media. There shall be no advertisements whatsoever in relation to the enrolment, issuance, offer and sale of PCNs or in respect of any Placement Memorandum, supplemental memoranda or other document in respect of the issuance, offer, sale or transfer of securities issued.
 - (iii) Further to the above, the Offer Documents of the PCN **must** carry the following language:
THE PRIVATE COMPANIES' NOTES SHALL NOT BE AVAILABLE FOR SUBSCRIPTION OR PURCHASE BY PERSONS OTHER THAN THOSE RECEIVING THE OFFER OR INVITATION. THE INFORMATION STATED IN THIS DOCUMENT IS FOR THE USE OF THE ADDRESSEE(S) ONLY AND IT IS EXPECTED THAT ALL INFORMATION STATED HEREIN OR SUBSEQUENTLY DISSEMINATED WOULD BE KEPT SAFE AND CONFIDENTIAL. UNAUTHORISED ACCESS AND/OR DUPLICATION OF THIS MATERIAL IS ILLEGAL
 - (iv) The Offer Documents may prescribe the period for which offer for the Private Placement shall be open.
 - (v) The IPA shall notify Private Markets of the Discreet Issue/PCNs sought to be issued under the Programme no later than one (1) Business Day prior to the opening of the offer. Such notification shall include the following details: Amount on offer, minimum level of subscription (if applicable), offer open/ close dates and Settlement Dates, amongst others.
 - (vi) Following the close of the offer, the IPA shall provide all the documentation outlined in Appendix III of the Guidelines no later than five (5) Business Days from Settlement Date of the Issue.
 - (vii) Within two (2) Business Days of settlement, the Transaction Sponsor(s) shall be required

- to file an Allotment Report in the manner prescribed in Template VIII providing the following information:
- (i) Percentage of the Issue purchased by each investor group.
 - (ii) Confirmation that the subscribers are strictly Qualified Institutional Investors in accordance with the provision of these Guidelines.
 - (iii) Such other information as may be required by Private Markets.
- (viii) Private Markets may from time to time provide further Private Placement Guidelines on the noting of PCNs by Private Markets on the PCS Portal (Restricted).

5. ELIGIBILITY CRITERIA FOR NOTING ON THE FMDQ PRIVATE MARKETS BOARDS

5.1. Eligibility Criteria for Noting on the FMDQ Private Markets PCN Main Board

The following Guidelines set out the eligibility criteria for prospective Issuers to note Private Companies' Notes on FMDQ Private Markets Main Board:

- (i) Where the PCN is to be issued by an SPV/SPE, the Promoter of that SPV/SPE shall be required to meet the eligibility criteria set out below.
 - (a) An Issuer/Promoter seeking enrolment privileges shall be a private limited company duly incorporated entity under Applicable Law.
 - (b) The Issuer/Promoter shall conform with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
 - (c) The Issuer/Promoter must have been in operation for more than five (5) years prior to the date of application for enrolment/noting of PCN Programmes/Discreet Issues on the PCS Portal (Restricted).
 - (d) Eligible Issuers/Promoters must have shareholders' funds (unimpaired by losses) above ₦1,000,000,000.00 (One Billion Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the date of submission of the application) and shall be maintained at or above that level for the entire period their PCNs remain enrolled/noted by Private Markets.
 - (e) Eligible Issuers/Promoters may be rated. This shall be evidenced by a valid and subsisting credit rating report issued by a credit rating agency registered or recognised in the Nigerian capital markets.
- (ii) Where Issuers/Promoters do not meet the requirements stipulated in section 5.1.(i)(c) and 5.1.(i)(d) above, the Issuer/Promoter's prospective PCN issuance sought to be enrolled/noted by FMDQ Private Markets may be backed by a guarantor that meets the above requirements or such other credit enhancements, at the discretion of the Issuers/Promoters.
- (iii) Eligible non-bank corporate Issuers/Promoters shall have no overdue loans or defaults as evidenced by their credit information report obtained from a CBN-licensed credit bureau. Such report shall be issued no later than ten (10) business days prior to the date of the application for the enrolment/ noting of the PCN Programme/Issuance by Private Markets.

- (iv) Notwithstanding the provisions of section 5.1.(i)(b) and 5.1.(i)(e) above, where the Issuer is an SPV/SPE established for the purpose of issuing asset- or mortgage-backed PCNs, the following eligibility criteria shall apply:
 - (a) The SPV/SPE shall provide a minimum of five (5) years credit history of the underlying assets or mortgages.
 - (b) The SPV/SPE shall provide cash flows of the underlying assets or mortgages.
 - (c) Such other provisions as may be prescribed by Private Markets from time to time.

5.2. Eligibility Criteria for Noting on the FMDQ Private Markets PCN Growth Board

The following Guidelines set out the eligibility criteria for prospective PCN Issuers to note on FMDQ Private Markets PCN Growth Board:

- (i) Where the PCN is to be issued by an SPV/SPE, the Promoter of that SPV/SPE shall be required to meet the eligibility criteria set out below.
 - (a) An Issuer/Promoter seeking enrolment privileges shall be a private limited company duly incorporated entity under Applicable Law.
 - (b) The Issuer/Promoter shall conform with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
 - (c) The Issuer/Promoter must have been in operation for a minimum of (2) years and up to five (5) years, from the date of application for enrolment/noting of PCN Programmes/Discreet Issues on the PCS Portal (Restricted).
 - (d) Eligible Issuers/Promoters must have shareholders' funds (unimpaired by losses) not less than ₦50,000,000.00 (Fifty Million Naira) to ₦1,000,000,000.00 (One Billion Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the date of submission of the application) and shall be maintained at or above that level for the entire period their PCNs remain enrolled/noted by Private Markets.
 - (e) Eligible Issuers/Promoters may be rated. This shall be evidenced by a valid and subsisting credit rating report issued by credit rating agency registered or recognised in the Nigerian capital markets.
- (ii) Where Issuers/Promoters do not meet the requirements stipulated in section 5.2.(i)(c) and 5.2.(i)(d) above, the Issuer/Promoter's prospective PCN issuance sought to be enrolled/noted by FMDQ Private Markets may be backed by a guarantor that meets the above requirements or such other credit enhancements, at the discretion of the Issuers/Promoters.
- (iii) Eligible non-bank corporate Issuers/Promoters shall have no overdue loans or defaults as evidenced by their credit information report obtained from a CBN-licenced credit bureau. Such report shall be issued no later than ten (10) Business Days prior to the date of the application for the enrolment/noting of the PCN Programme/Issuance by Private Market.

- (iv) Notwithstanding the provisions of section 5.2.(i)(b) and 5.2.(i)(e) above, where the Issuer is an SPV/SPE established for the purpose of issuing asset- or mortgage-backed PCNs, the following eligibility criteria shall apply:
 - (a) The SPV/SPE shall provide a minimum of two (2) years credit history of the underlying assets or mortgages.
 - (b) The SPV/SPE shall provide cash flows of the underlying assets or mortgages.
 - (c) Such other provisions as may be prescribed by Private Markets from time to time.

5.3. Eligibility Criteria for Noting on the FMDQ Private Markets PCN Cradle Board

The following Guidelines set out the eligibility criteria for prospective PCN Issuers to note on FMDQ Private Markets PCN Cradle Board:

- (i) Where the PCN is to be issued by an SPV/SPE, the Promoter of that SPV/SPE shall be required to meet the eligibility criteria set out below.
- (ii) An Issuer/Promoter seeking enrolment privileges shall be a private limited company duly incorporated entity under Applicable Law.
- (iii) The Issuer/Promoter shall conform with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, inter alia.
- (iv) The Issuer/Promoter shall be start-ups or entities less than two (2) years in operations from the date of application for enrolment/noting of PCN Programmes/Discreet Issues on the PCS Portal (Restricted).
- (v) Eligible Issuers/Promoters must have shareholders' funds (unimpaired by losses) of less than ₦50,000,000.00 (Fifty Million Naira) as evidenced by latest audited accounts.
- (vi) Eligible Issuers/Promoters may be rated. This shall be evidenced by a valid and subsisting credit rating report issued by credit rating agency registered or recognised in the Nigerian capital markets.

6. DOCUMENTATION AND DISCLOSURE REQUIREMENTS

- 6.1. The Issuer/Promoter of a PCN sought to be enrolled/noted by Private Markets on the PCS Portal (Restricted) shall, through its Transaction Sponsor(s) file an application in the FMDQ Private Markets-advised Application Form, along with supporting documentation and disclosures as outlined in section 6.2 and 6.3 below.

Note: Electronic copies of the documentation and disclosure requirements outlined in section 6.2 and 6.3 below may suffice unless hard copies are expressly requested by FMDQ Private Markets. Where the Issuer/Promoter had previously provided any of the documents/disclosures outlined below and such document remains valid and subsisting, the Issuer/Promoter shall indicate as such by executing the Declaration of Prior Disclosure in the manner prescribed in Template VI of the Template Guide.

- 6.2. The following documentation and disclosure requirements shall be provided with respect to the Issuer/Promoter:

- (i) Memorandum and Articles of Association or other relevant constitutional document.
 - (ii) Certificate of incorporation or other equivalent documentation.
 - (iii) Particulars of directors/shareholders (as applicable).
 - (iv) Audited annual reports and accounts covering the period required for the relevant market segment, the most recent not exceeding twelve (12) months from the date of submission of the application for the enrolment/noting of the Programme/Discreet Issue/Series.
 - (v) Most recent unaudited interim reports and accounts signed by the Managing Director and Chief Financial Officer of the Issuer/Promoter.
 - (vi) External auditor's comfort letter on the Issuer/Promoter.
 - (vii) Corporate profile of the Issuer/Promoter covering the following at a minimum:
 - (a) Name, registered office, legal form, principal activity, sector, organisation structure, subsidiaries, associates, factory/branch locations and products/services.
 - (b) Description of the shareholding structure of the company, showing major shareholders (i.e. owning above 5%) along with the most recently filed CAC Form 2 (Statement of Share Capital and Return of Allotment).
 - (c) Detailed profiles of the directors and executive management staff of the Issuer/Promoter.
 - (d) List of changes in the composition of the board of directors and management team during the year the enrolment of the PCN is sought.
 - (viii) Any documentation that provides information and details of any charges/encumbrances on the Issuer/Promoter's cash flows.
 - (ix) Comprehensive schedule of the Issuer/Promoter's current debt profile by type, purpose, tenor, and maturity dates.
 - (x) Details of any litigations/claims currently involving the Issuer/Promoter certified by the external solicitor of the Issuer/Promoter.
 - (xi) Evidence that the issuance of the PCN does not exceed the limit of the Issuer/Promoter's borrowing powers.
 - (xii) The following documentation shall be required with respect to non-bank corporate Issuers/Promoters:
 - (a) Bank reference on the Issuer/Promoter (Template V).
 - (b) Credit information report of the Issuer/Promoter obtained from a CBN-licensed credit bureau. Such report shall be issued no later than ten (10) Business Days prior to the date of the application for the enrolment/noting of the PCN Programme/Issuance by Private Markets.
 - (xiii) Evidence of payment of application fee.
 - (xiv) Such other documentation/disclosures as may be required by Private Markets.
- 6.3. The following documents/disclosures shall be filed in respect of the Issue:
- (i) Special Resolution of the board authorising the PCN Programme/Discreet Issue and the approved amount (where applicable).
 - (ii) Resolution of the company in general meeting authorising the PCN Programme/Discreet Issue (where applicable).

- (iii) Executed Placement Memorandum or such other equivalent and/or supplemental Offer Document(s) containing all relevant information in respect of the Programme/ Discreet Issue (See Appendix I).
- (iv) Allotment Report providing a summary of the various groups of investors in the PCNs. A sample of the Allotment Report is provided in Template VII.
- (v) PCN Unique Identifier
- (vi) Executed IPA Agency Agreement (Template VII).
- (vii) Executed CPA Agency Agreement (where applicable).
- (viii) Executed Underwriting Agreement (where applicable)
- (ix) Notarised letters of consent of all parties named in the Offer Documents. Where the consent is given through a power of attorney, the power of attorney shall be executed and stamped.
- (x) Details of any credit enhancement to support the Issue in the form of Deed of Guarantee or other equivalent document (Template IV).
- (xi) Details of repayment sources/funding plan for the Issue.
- (xii) General Undertaking (Template I).
- (xiii) Declaration of Compliance by the Issuer/Promoter (Template II).
- (xiv) Transaction Sponsor's Declaration in respect of the Issue.
- (xv) Solicitor's opinion on the Issue.
- (xvi) Evidence of payment of all relevant fees and dues as set out in FMDQ Private Markets fees & dues framework.
- (xvii) Such other documentation as may be required by Private Markets.

7. REVISION OF PCN PROGRAMMES

- 7.1. An Issuer/Promoter may revise the size, terms, parties or validity period of the Programme, or make such other revisions from time to time.
- 7.2. Where a Programme is extended and the Issuer/Promoter seeks to extend the validity period of a Programme enrolled on the PCS Portal (Restricted), the extension of the enrolled PCN Programme on the PCS Portal (Restricted) shall be subject to the following conditions:
 - (i) The PCN Programme may only be extended on the PCS Portal (Restricted) for a period not exceeding an additional twelve (12) months from the expiration of the initial validity period.
 - (ii) The validity period of a PCN Programme on the PCS Portal (Restricted) shall not be extended more than once.
 - (iii) The IPA shall file the following documentation with Private Markets:
 - (a) Where the terms of the extension are the same as the initial Offer Documents, a letter to that effect.
 - (b) Where the terms of the extension are different from the terms of the initial Offer Documents, a letter to that effect accompanied by the relevant revised Offer Documents. The terms of the revised Offer Documents shall supersede the contents of the initial Offer Documents to the extent of any inconsistencies.

- (c) Letters of confirmation from all transaction parties consenting to the mention of their name(s) on the revised Offer Documents (if applicable).
 - (d) Such other document(s)/disclosure(s) as may be prescribed by FMDQP from time to time.
- 7.3. Filings of any revisions made to an enrolled PCN Programme shall depend on the materiality of the consequential amendments made to the Offer Documents and other relevant transaction documents.
- (i) Where revisions are minimal, the Issuer/Promoter shall file an executed supplemental of the Offer Documents and other relevant transaction documents indicating changes to the terms in the existing Offer Documents. The supplemental documents shall be read in conjunction with each of the existing Offer Documents and other relevant documents.
 - (ii) Where revisions are numerous and/or material, the Issuer/Promoter shall file an executed, amended and restated version of the Offer Documents and other relevant transaction documents as stand-alone documents that reflect all changes made to the Offer Documents; the existing Offer Documents filed with Private Markets, having been revised in their entirety are no longer operative.
- 7.4. The revision of a PCN Programme shall be supported by the following documents:
- (i) A copy of the resolution of the Issuer/Promoter's board of directors approving the revision of the PCN Programme. (This may be required where there is a revision in the Programme size, changes to key Programme terms or such other instances as may be determined by Private Markets from time to time).
 - (ii) Where applicable, a letter by the credit rating agency that the revision of the PCN Programme has/has not impacted the ratings of the Issuer/Promoter and/or the PCN Programme. (This may be required where there is a revision in the Programme size, changes to key Programme terms or such other instances as may be determined by Private Markets from time to time).
 - (iii) Revised Offer Document or supplemental documents.
 - (iv) A schedule highlighting the revision(s) made to the Offer Documents and other relevant transaction documents.
 - (v) Letters of confirmation from all transaction parties consenting to the mention of their name(s) on the revised Offer Documents.
 - (vi) Such other document(s)/disclosure(s) as may be prescribed by Private Markets from time to time.

8. POST-NOTING REQUIREMENTS

- 8.1. The Issuer/Promoter/Transaction Sponsor of a noted PCN shall comply with the post-Noting requirements outlined in these Guidelines and such other requirements as may be prescribed by Private Markets from time to time.
- 8.2. The Issuer/Promoter through its Transaction Sponsor shall be required to file a quarterly Compliance Report in the manner prescribed in Template III of these Guidelines within ten (10) Business Days of the end of each quarter.

- 8.3. Where the Issuer/Promoter is desirous of rolling over the PCN, the Issuer/Promoter and Transaction Sponsor shall prior to the maturity of the PCN, comply with the Rollover Process outlined in Appendix II of these Guidelines.
- 8.4. Failure of the Issuer/Promoter to continuously comply with the provisions of these Guidelines will be deemed as an infraction under the post-noting compliance framework and may lead to a removal of such PCNs from the PCS Portal (Restricted).
- 8.5. Where applicable, rating reports in respect of the Issuer/Promoter and the Programme/Discreet Issue shall be provided by the Transaction Sponsor(s) on a periodic basis, no later than annually. The Transaction Sponsor(s) shall immediately notify Private Markets of any revision to the Issuer/Promoter and the Programme/Discreet Issue rating of the PCN (where applicable).
- 8.6. The Issuer shall comply with the continuous reporting and disclosure requirements and other continuous disclosure requirements as may prescribed by Private Markets from time to time, including but not limited to the completion of periodic rating review process in respect of the PCN and payment of annual noting fees as prescribed by Private Markets.
- 8.7. These Guidelines are non-exhaustive and may be subject to review and additions from time to time.

PART C: DUTIES, OBLIGATION AND ENFORCEMENT OF THE GUIDELINES

9. PAYMENT OF PRIVATE COMPANIES' NOTES ON MATURITY

- 9.1. Issuers/Promoters shall take steps to ensure that they do not default on payment of amounts due to investors.
- 9.2. For the purpose of these Guidelines, part-payment of the PCN value to investors shall also constitute a default.
- 9.3. In the case of part-payment by the Issuer/Promoter, the CPA shall distribute the received funds, among all the investors, on pro-rata basis.
- 9.4. The IPA shall ensure that the Offer Documents clearly outline the risks inherent in PCN investments and that at maturity, payments will be made to investors only if the Issuer/Promoter or a guarantor has made the funds available to the CPA.
- 9.5. The IPA shall ensure that the Offer Documents clearly provide that in the event of any default by the Issuer/Promoter, the IPA is under no obligation to seek recovery or initiate any action against the Issuer/Promoter either on its own or on behalf of the investors
- 9.6. The IPA shall obtain the register of investors from the CSD one (1) Business Day before the maturity of the PCN.
- 9.7. The CPA shall effect repayment to the designated accounts of all registered holders of the PCN.
- 9.8. The Issuer/Promoter shall ensure that there are sufficient funds in its funding account with the CPA to pay investors by 12:00 Noon on the maturity date of the PCN, failing which the Issuer/Promoter shall be in violation of these Guidelines.
- 9.9. The CPA shall ensure that funds have been transferred to all PCN holders by 2:00 PM on the maturity date of the PCN.
- 9.10. Further to 9.7 above, the CPA shall notify Private Markets that funds have been transferred to all PCN holders by 3:00 PM on the maturity date of the PCN, failing which, the Issuer/Promoter shall be deemed to be in default¹.
- 9.11. In the case of a Rollover, if any investor objects to a Rollover, the Issuer/Promoter shall effect the payment of the value of the investors' PCN holding on the maturity date, based on the initial terms of the Issue. Failure by the Issuers/Promoters to effect such payment shall result in a default.
- 9.12. CPA shall send electronic notifications to the investors and the Private Markets informing them of the liquidation of the PCN within one (1) Business Day of the PCN maturity date.
- 9.13. Private Markets shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default.

10. DUTIES AND OBLIGATIONS

- 10.1. The Issuer/Promoter shall be bound by the Terms and Conditions disclosed by the Issuer/Promoter in the executed Offer Documents filed with Private Markets.

¹ Notification shall be via electronic mail to privatemarkets@fmdqgroup.com or such other medium as may be advised by FMDQP from time to time.

- 10.2. The Issuer/Promoter shall through its Transaction Sponsor provide all prospective investors in the PCNs with the same information which shall be disclosed in the Offer Documents and give investors the opportunity to raise questions on the Terms and Conditions of the Issue and to obtain additional facts necessary to verify the information provided by the Issuer/Promoter.
- 10.3. The Issuer shall, through its Transaction Sponsor(s), treat the prospective investors in the PCN in a fair and equitable manner and in accordance with the FMDQ Private Markets Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.
- 10.4. The Issuer shall take steps to ensure that it does not default on payment of principal or dividend payments (as applicable) on PCNs as and when due to investors.
- 10.5. Private Markets shall be notified immediately it is identified that a default is imminent or there is a strong possibility of default. The Transaction Sponsor shall provide reasons for the default or imminent default.
- 10.6. The Issuer/Promoter shall ensure that the amount raised through the Issue are utilised for the purposed stated in the Offer Documents.
- 10.7. The Issuer/Promoter shall, through the Transaction Sponsor, provide Private Markets with any information that may affect its creditworthiness.
- 10.8. Where the tenor of a PCN exceeds three (3) months, the Issuer/Promoter shall on a quarterly basis, through the IPA, prepare and submit to Private Markets, a signed Compliance Report in the manner prescribed in Template III of the Template Guide.
- 10.9. The Issuer/Promoter shall comply with such other obligations as may be prescribed by Private Markets from time to time.

11. ELIGIBILITY CRITERIA FOR TRANSACTION SPONSORS

- 11.1. All IPAs must file a duly completed Transaction Sponsor Application Form with Private Markets for enrolment as a Transaction Sponsor to present an issuer of PCS for noting on the PCS Portal (Restricted), in addition to the submission of relevant documentation requirements.
- 11.2. All IPAs shall make relevant payments for the Sponsorship Eligibility Fees and Annual Sponsorship Fees in accordance with the FMDQ Private Markets Fees and Dues Framework.
- 11.3. The head of the IPA must have the relevant practical experience as provided by the Private Market Eligibility Criteria for Transaction Sponsors schedule, in the execution of capital issues.
- 11.4. All IPAs must be willing to subject themselves to the strict adherence to the PCS Guidelines, directives, terms and conditions in Private Markets, as well as ensure execution of the sponsorship agreement relating to the noting of PCS in the Private Markets.

12. DUTIES AND OBLIGATIONS OF THE IPA and CPA

- 12.1. The IPA shall ensure the Issuer/Promoter is provided with appropriate guidance on the initial and continuous obligations of Issuers/Promoters as prescribed in these Guidelines (as may be amended or supplemented from time to time).
- 12.2. The IPA shall verify and confirm that the disclosures made by the Issuer are true, fair, and adequate and ensure that the Issuer complies with these Guidelines and such other Terms and Conditions as may be prescribed by Private Markets and other relevant regulatory authorities.

- 12.3. The IPA shall ensure that Issuers of PCN Programmes file all updated or supplemental Offer Documents with respect to each series/tranche, containing details of the series/tranche and material changes and the impact of said changes, if any, in the information provided in the Offer Documents of their enrolled Programmes.
- 12.4. The IPA shall ensure that the amount raised through the PCN issuance is in line with the Offer Documents and within the limit approved by the Issuer/Promoter's Board of Directors.
- 12.5. The IPA shall notify Private Markets immediately, and no later than one (1) Business Day of becoming aware of any circumstances that occur which could impact the contents of the Offer Documents making such documents include an untrue statement of a material fact or omit to state any material fact which may make statement(s) in the Offer Document untrue, inaccurate and/or misleading.
- 12.6. Further to section 12.5 above, the IPA shall use all reasonable endeavours to procure revised or supplemental documentation which will correct any untrue statement or include such omitted fact. Where it is unable to procure such revision or supplement, the IPA shall inform Private Markets of this fact.
- 12.7. The IPA shall immediately notify Private Markets of any revision to the Issue/Issuer/Promoter/PCN Programme rating (where applicable).
- 12.8. The IPA shall notify Private Markets where they become aware that the amount raised through the Issue is not being utilised by the Issuer for the purposes stated in the Offer Documents.
- 12.9. The IPA shall ensure that all investors meet the eligibility criteria for investors as prescribed by Private Markets.
- 12.10. The IPA shall ensure that provisions of section 4.3. with respect to the minimum level of subscription are complied with and in circumstances where the minimum level of subscription falls below the prescribed requirement, provide a signed attestation that investors have been made aware of the fact.
- 12.11. Upon confirmation of receipt of funds from investors, the IPA shall instruct the CSD to transfer the CP from the IPA account to the investors' accounts with the CSD or the investors' custodian accounts.
- 12.12. The IPA shall submit an allotment report within two (2) Business Days of settlement in the manner provided in Template VIII of the Template Guide.
- 12.13. The IPA shall on behalf of the Issuer, file quarterly Compliance Reports with Private Markets in the manner prescribed in Template III of the Template Guide.
- 12.14. Upon receipt of the Issuer/Promoter's intention to Rollover on the PCS Portal (Restricted), the IPA shall be required to notify Private Markets that all investors have been duly informed no later than one (1) Business Day prior to maturity of the PCN.
- 12.15. The notification shall include an attestation that investors have agreed to the terms of the Rollover and, where some investors do not agree to the terms, that payment of the value of the objecting investors' PCN holdings shall be effected on the maturity date based on the initial terms of the Issue.
- 12.16. The IPA shall provide information relating to the Rollover as may be required by investors and forward same to Private Markets.

- 12.17. The IPA shall upon commencement of a Rollover of a PCN noted by Private Markets file the relevant revised Offer Documents and fulfil the requirements stipulated in Part B of the Guidelines for noting of the fresh Issue, within five (5) Business Days of maturity of the initial Issue.
- 12.18. Where the IPA is a Lead Transaction Sponsor, the IPA shall be liable for all disclosure and reporting obligations during the application for the enrolment/noting of the Programme/Discreet Issue/Series.
- 12.19. All IPAs (i.e. Lead and other Co-sponsors) shall be held jointly and severally liable for ongoing notification and disclosure obligations on enrolled/noted PCN Programmes/Issuances.
- 12.20. The CPA shall provide such other information as may be required by Private Markets throughout the tenor of the PCN.
- 12.21. The CPA shall be bound by these Guidelines and such other Terms and Conditions as may be prescribed by Private Markets from time to time.

13. ENFORCEMENT OF GUIDELINES

- 13.1. Where FMDQ Private Markets considers an Issuer to be in violation of the Guidelines it may take one or more of the following actions:
 - (i) Issue warning letters.
 - (ii) Impose fines.
 - (iii) Suspend the PCN from the PCS Portal (Restricted).
 - (iv) Remove the PCN from the PCS Portal (Restricted).
 - (v) Publicly Censure the Issuer.
 - (vi) Notify the relevant agencies (including credit rating agencies) and regulatory authorities.
 - (vii) Such other action as Private Markets may deem fit to make upon due consideration of the violation.
- 13.2. Power to suspend or remove a PCN from the PCS Portal (Restricted):
 - (i) Enrolment/Noting is granted subject to certain considerations and conditions as provided in these Guidelines (subject to amendment from time to time). Where Private Markets considers it necessary for the protection of investors or the maintenance of an orderly market, it may at any time suspend or remove any Issue from the PCS Portal (Restricted) in such circumstances and subject to such conditions as it deems fit, whether requested by the Issuer or not. Such conditions include but are not limited to the following:
 - (a) An Issuer/Promoter fails, in a manner which the Committee considers material, to comply with these Guidelines and such other Terms and Conditions as may be made from time to time (including failure to pay on time any fees or levies due to Private Markets);
 - (b) Private Markets considers that the Issuer/Promoter does not have sufficient level of operations or sufficient assets to warrant the continued noting of its PCNs on the PCS Portal (Restricted);
 - (c) The Committee considers that the Issuer/Promoter or its business to be no longer suitable for Noting;
 - (d) The Issuer fails to meet the corporate governance standards as may be prescribed by Private Markets and other relevant regulatory authorities;

- (e) Such other circumstances as the Committee may deem fit to suspend or remove a PCN from the PCS Portal (Restricted).
 - (ii) Where an Issuer/Promoter itself seeks a suspension of its noted PCN, the request for suspension must be made to Private Markets by the Issuer/Promoter's IPA and must be confirmed in writing. In all cases, the request must be supported by specific reasons for the request for suspension, the requested duration of the suspension, the nature of the event affecting the Issuer/Promoter's activities and the current state of events with respect to the Issuer/Promoter's activities, all of which must be disclosed to Private Markets so that the Committee can assess the need for and appropriate duration of the suspension. The continuation of a suspension for a prolonged period without the Issuer/Promoter taking appropriate action to obtain restoration for enrolment/noting may lead to the Committee's removal of the PCN from the PCS Portal (Restricted).
 - (iii) There may be cases where a PCN is removed without being suspended. Where the Committee considers that a PCN is no longer suitable for enrolment/noting, the Issuer/Promoter shall be informed in writing of the decision of the Committee. In certain circumstances, the Issuer may be given an opportunity to take remedial action and resolve any issues raised by the Committee within a stipulated timeframe. Failure by the Issuer/Promoter to take such remedial action within the stipulated timeframe shall lead to removal of the Issue from the PCS Portal (Restricted).
- 13.3. Where the Issuer defaults in its payment obligations to investors or other event of default in respect of the PCN as determined by Private Markets occurs, the following shall take effect:
- (i) Early termination/liquidation of the Issue at the discretion of investors in the PCN.
 - (ii) Payment of default interest charge by the Issuer at the Default Rate which is equivalent to the daily overnight (O/N) NIBOR + 5% per annum or coupon rate of the Issue + 5% per annum (whichever is higher) from the date of the occurrence of the event of default and for every subsequent date the Issuer remains in default.
 - (iii) Such other penalties as may be prescribed by Private Markets from time to time.
- 13.4. Failure by an IPA to comply with the provisions of these Guidelines or such other Terms and Conditions as may be prescribed by Private Markets shall incur one or more of the following penalties:
- (i) Warning Letters.
 - (ii) Fines.
 - (iii) Suspension of participation in the Private Markets.
 - (iv) Expulsion as a participant in the Private Markets.
 - (v) Public Censure.
 - (vi) Such other sanctions as may be prescribed by Private Markets from time to time.

PART D: APPENDICES

APPENDIX I: CONTENTS OF THE OFFER DOCUMENTS

To qualify for enrolment/noting on the PCS Portal (Restricted), the Offer Documents for the issue shall contain specific provisions relating to the following: The table below provides an indicative template of the information which Private Markets requires to be provided in the Offer Documents of Private Companies' Notes.

Please note that this is simply a guide to the Issuer/Promoter and Sponsor seeking to enrol and note on FMDQ Private Markets PCS Portal (Restricted). Issuers/Promoters and their Transaction Sponsors are fully responsible for the contents of the Offer Documents in respect of their Issues and as such Private Markets makes no representations and disclaims all express, implied, and statutory warranties of, including warranties as to accuracy, timeliness, completeness of the Offer Documents and merchantability of PCNs sought to be enrolled and noted by Private Markets.

The Offer Documents in respect of the prospective PCN Issues shall include the contents of the table below, inter alia:

S/N	SUBJECT	DETAILS
1.	Summary of the Issue	<p>The following information shall be contained in the summary of the issue:</p> <ol style="list-style-type: none"> i. The name of the Issuer/Promoter ii. Issue Description iii. Size of the Issue iv. The Currency of the Issue v. The Issue Price (where applicable) vi. Issue Arranger (IPA) vii. Collecting and Paying Agent (CPA) viii. Auditors to the Issuer/Promoter ix. Custodian to the Issue x. Statement as to whether the PCNs would be issued as a programme/shelf registration xi. Use of proceeds of the issue xii. Sources of repayment xiii. The Tenor of the PCN (minimum of 30 days and maximum of 365 days) xiv. Tax Considerations xv. Denomination of the PCNs xvi. The Rating of the Issue (where applicable) xvii. Credit enhancement (where applicable) xviii. Statement that the issue is noted by Private Markets xix. The Governing Law

		<p>xx. A statement in which it is confirmed that the Issuer/Promoter is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer/Promoter.</p> <p>xxi. In the case of a Programme, the total amount of the PCN already issued, as well as the estimated amount to be issued during the current financial year</p> <p>xxii. Whether or not there has been any material adverse change in the issuer/Promoter's financial position since the date of its last audited financial statements</p> <p>xxiii. All other information that may be necessary to enable the investor to ascertain the nature of the financial and commercial risk of the PCN</p>
2.	Terms and Conditions of the PCN issue	<p>This expands on the contents of the summary of the issue (as above) and contains further information including but not limited to:</p> <p>i. What happens in the event of default in payment by the Issuer/Promoter</p> <p>ii. Notices to investors: Means of sending out notices to holders of PCNs i.e. hand delivered to address on the register, registered mail</p> <p>iii. Meetings to be held between Issuer/Promoter and IPA</p>
3.	Disclosure Requirements	<p>i. The IPA may state that in case of any default by the Issuer/Promoter, it is under no obligation to seek recovery or initiate any action against the Issuer/Promoter either on its own or on behalf of the investors.</p> <p>ii. The IPA shall clearly state in the Offer Documents, the risks inherent in PCN investments and that at maturity, payment will be made to investors only if the Issuer/Promoter or a guarantor other than the CPA has made the funds available to the CPA except in cases where the CPA is the guarantor.</p>
4.	Settlement, Clearing and Transfer of PCNs	<p>This could contain the following details:</p> <p>i. CSD/Custodian</p> <p>ii. IPA, CPA</p> <p>iii. CSD Registration (Unique Identifier)</p> <p>iv. Dematerialisation of PCNs (if applicable)</p> <p>v. Transfer of Notes</p> <p>vi. Cash Settlement</p> <p>vii. Redemption</p>
5.	Pricing Supplement	Pro forma template of the pricing supplement.
6.	Overview of the Issuer/Promoter	Containing detailed information on the Issuer/Promoter.
7.	Auditors Report	Report of the auditors on the financial statements of the

		Issuer/Promoter.
8.	Financial Information of the Issuer/Promoter	Summary Financial Statement (inclusive of Income Statement, Statement of Financial Position, Cash Flow Statement and Statement of Changes in Equity) of the Issuer/Promoter covering the period relevant to the market segment prior to the Issue.
9.	Extract from the rating report (where applicable)	Rating Report of the Issuer/Promoter or the Issue or Programme.
10.	Legal Opinion on the Issue	<p>A detailed legal opinion of the solicitors to the Issue containing the following:</p> <ul style="list-style-type: none"> i. Legal status of the Issuer/Promoter ii. Authorisations iii. Compliance issues iv. Noting of the PCNs; what happens in the event of insolvency v. Tax matters vi. Restrictions on the Issue (if any) vii. Any other important and relevant legal information as may relate to the PCNs
11.	Disclaimer	<p>The Offer Documents shall boldly state the following disclaimer:</p> <p>FMDQ PRIVATE MARKETS LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT. THE INFORMATION CONTAINED HEREIN IS PROVIDED FOR INFORMATIONAL AND EDUCATIONAL PURPOSES ONLY. NONE OF THE INFORMATION PROVIDED REPRESENTS AN OFFER TO BUY OR SELL OR THE SOLICITATION OF AN OFFER TO BUY OR SELL, ANY SECURITY, NOR DOES IT CONSTITUTE AN OFFER TO PROVIDE LEGAL, TAX, FINANCIAL OR INVESTMENT ADVICE OR SERVICE.</p> <p>FMDQ PRIVATE MARKETS LIMITED IS NOT A REGISTERED SECURITIES EXCHANGE UNDER THE SECURITIES AND EXCHANGE COMMISSION RULES 2013 (AS AMENDED) NOR THE INVESTMENTS AND SECURITIES ACT 2007 (AS AMENDED).</p> <p>FMDQ PRIVATE MARKETS LIMITED DOES NOT OFFER LEGAL, FINANCIAL, INVESTMENT OR TAX ADVICE. FMDQ PRIVATE MARKETS LIMITED IS OPERATIONALLY INDEPENDENT AND DISTINCT FROM FMDQ SECURITIES EXCHANGE LIMITED. SECURITIES ADMITTED ON FMDQ SECURITIES EXCHANGE LIMITED ARE NOT SUBJECT TO THE SAME ADMISSION REQUIREMENTS AS SECURITIES NOTED ON FMDQ</p>

		<p>PRIVATE MARKETS LIMITED, NOR DO SECURITIES NOTED ON FMDQ PRIVATE MARKETS LIMITED AFFECT AN ISSUER'S POTENTIAL ELIGIBILITY FOR OTHER OF ITS SECURITIES TO BE ADMITTED ON FMDQ SECURITIES EXCHANGE LIMITED.</p>
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APPENDIX II: ROLLOVER PROCESS

The process to be adopted by Issuers/Promoters and their Transaction Sponsors (IPA) when the Issuer/Promoter seeks to maintain rolled over PCNs on the PCS Portal (restricted). This process may be amended or supplemented from time to time.

1. A PCN Rollover shall be treated as a fresh/separate Issue, as such, Issuers/Promoters may be required to provide additional documentation to Private Markets upon compliance with the conditions outlined below.
2. Where a PCN Issuer/Promoter is desirous of maintaining a rolled over PCN noted on the PCS Portal (Restricted), the Issuer/Promoter shall comply with the following:
 - (i) Inform the IPA that the PCN has been rolled over no later than three (3) Business Days before the maturity date of the PCN.
 - (ii) Provide relevant updated documents for the re-evaluation of the PCN to the IPA.
3. Upon receipt of the Issuer/Promoter's notification of the rolled over Programme/PCN, the IPA shall be required to notify Private Markets that all investors have been duly informed no later than one (1) Business Day prior to maturity of the PCN².
4. The IPA shall upon commencement of reflecting the rolled over PCN noted by Private Markets file the relevant revised Offer Documents and fulfil the requirements stipulated in Part B of the Guidelines for noting of the fresh Issue, within five (5) Business Days of maturity of the initial Issue.

² Notification shall be via electronic mail or such other medium as may be advised by Private Markets from time to time

APPENDIX III: DOCUMENTATION REQUIREMENTS CHECKLIST

The table below provides a non-exhaustive list of documentation and disclosures requirements to be provided by a Transaction Sponsor for the enrolment/noting of a Programme/Issue:

.S/N	Documentation Requirements for Issue
1.	Duly completed FMDQ Private Markets Noting Application Form
2.	Placement Memorandum or such other equivalent and/or supplemental Offer Document(s) containing all relevant information in respect of the Issue
3.	Pricing supplements with respect to each Issue/series/tranche, containing details of the Issue and material changes, if any, in the information provided in the Placement Memorandum
4.	Audited annual reports and accounts covering the period relevant to the market segment, the most recent not exceeding twelve (12) months from the date of the submission of the application for the noting of the Issue (where applicable)
5.	Most recent unaudited interim reports and accounts not exceeding three (3) months from the end of the last quarter preceding the application for noting (signed by the Managing Director and Chief Financial Officer)
6.	Charges on the Issuer/Promoter's cash flows with details
7.	Details of changes (if any) to any of the following: <ul style="list-style-type: none"> a. Company profile b. Short profiles of the current members of Issuer/Promoter's Board of Directors and Management Team together with the most recently filed CAC 7 (Particulars of Directors) c. Composition of the Board of Directors and Management Team during the year
8.	Board resolution authorising the Programme/Issue and approved amount (if separate from the board resolution authorising the full Programme amount)
9.	Details of the Issuer/Promoter's current debt profile type, purpose and maturity dates
10.	Valid and subsisting credit rating of the Issue obtained from a credit rating agency registered or recognised in the Nigerian capital markets (where applicable)
11.	Credit information report by a CBN-licenced credit bureau
12.	Notarised letters of consent of all parties named in the Offer Documents. Where the consent is given through a power of attorney, the power of attorney shall be executed and stamped.
13.	Sponsor's Declaration in respect of the Issue
14.	Sources of repayment/funding plan for the Issue
15.	Details of credit enhancement(s) (where applicable)
16.	Executed Underwriting Agreement (where applicable)
17.	Details of any litigations/claims currently involving the Issuer/Promoter
18.	Transaction Sponsors Declaration (Template IX of the Template Guide)
19.	Bank reference on the Issuer/Promoter to be provided by the IPA (Template V of the Template Guide)
20.	Duly completed PCN Allotment Report (Template VII of the Template Guide)
21.	Evidence of payment of Issue noting fees
22.	Evidence of payment of pre-assessment fee (If applicable)
23.	Issuer Confirmation of Payment Terms
S/N	Documentation Requirements for the Issuer
1.	Memorandum and Articles of Association

2.	Certificate of Incorporation
3.	Particulars of directors/shareholders (as applicable)
4.	Audited annual reports and accounts covering the period relevant to the market segment, the most recent not exceeding twelve (12) months from the date of the submission of the application for the noting of the Issue (where applicable)
5.	Latest interim audited financial statements of the guarantor not exceeding (12) months from the date of the application for the Noting of the PCN
6.	External auditor's comfort letter on the Issuer/Promoter
7.	Corporate profile of the Issuer/Promoter (Name, registered office, principal activity, legal form, sector, structure, subsidiaries, associates, location, products/services, numbers of employees)
8.	Any documentation that provides information and details of any charges/encumbrances on the Issuer's cash flows
9.	Comprehensive schedule of the Issuer/Promoter's current debt profile by type, purpose, tenor, and maturity dates
10.	Comprehensive schedule of all material contracts executed by the Issuer.
11.	Details of any litigations/claims currently involving the Issuer
12.	Evidence of the limit of the issuer's borrowing powers (if any)
13.	Valid and subsisting credit rating report(s) on the Issuer/Promoter obtained from credit rating agency registered or recognised in the Nigerian capital market (where applicable)
14.	Undertaking to abide by the Guideline, including continuous reporting and disclosure requirements and to pay all relevant fees as provided in the Private Markets fees & dues framework which are subject to review from time to time. (Template I of the Template Guide)
15.	Declaration of Compliance by the Issuer (Template II of the Template Guide)
16.	Declaration of Prior Disclosure (Template VI of the Template Guide)
17.	Letter on Indemnity