



**PRIVATE COMPANIES' SECURITIES
NOTING GUIDELINES**

April 2020

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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’ Securities Noting Guidelines:

“ Board ”	means the Board of Directors of FMDQ Private Markets Limited.
“ 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).
“ CBN ”	means Central Bank of Nigeria.
“ Central Securities Depository (CSD) ”	means a specialist financial institution that holds Private Companies’ Securities either in certificated or uncertificated (<i>dematerialised</i>) form so that ownership can be easily transferred through a book entry rather than the transfer of physical certificate. For all Private Companies’ Securities to be Noted on FMDQ Private Markets PCS Portal, CSD shall mean FMDQ Depository Limited.
“ Commission ”	means the Securities and Exchange Commission, Nigeria.
“ Committee ”	means the FMDQ Private Markets Board Committee (<i>or such relevant committee as may be established by the Board from time to time</i>) that oversees 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 noting Guidelines and continuous reporting and disclosure requirements as prescribed in the FMDQ Private Markets Guidelines and other Terms and Conditions.
“ Company ”	means a company as defined by CAMA.
“ Compliance Report ”	means a quarterly report prepared and submitted by a PCS 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 the Private Markets from time to time.
“ Custodian ”	means an entity which holds securities for safekeeping.
“ Default Rate ”	means interest rate equivalent to the daily overnight (O/N) NIBOR + 5% per annum or coupon rate of the Issue + 5% per annum (<i>whichever is higher</i>).
“ Dematerialisation ”	means the process by which securities are converted into electronic form.
“ Director ”	means a director as defined by CAMA.
“ Discreet Issue ”	means a single PCS issuance which is not established under a Programme.
“ FMDQ Private Markets Limited ” or the “ Private Markets ”	means FMDQ Private Markets.

“Markets”	
“FMDQ Private Markets Terms and Conditions”	means guidelines, enrollee agreements, market bulletins and such other directive as may be prescribed by the Private Markets from time to time.
“Guidelines”	means these FMDQ Private Markets Companies’ Securities Noting Guidelines.
“ISIN”	means the International Securities Identification Number.
“Issuer”	means a private limited company that intends to access the capital markets through the issuance of PCS.
“MNC”	means Management Noting Committee; the management committee responsible for reviewing all applications for the enrolment/noting of PCS Programmes/Issuances on the PCS Portal (Restricted) and making recommendations to the Committee for approval.
“Offer Documents”	means any document containing relevant information to help an investor make an investment decision including information memorandum for debt and equity capital raising, pricing supplement for the issuance of private companies’ bonds, programme memorandum or equivalent document.
“PCDs”	means private companies’ debts which may be issued either through bonds or notes.
“PCS”	means the private companies’ securities (debts or equities) issued by an issuer and noted on the FMDQ Private Companies’ Securities Portal.
“PCS Portal (Restricted)”	means the restricted, access only Private Companies’ Securities Information and Distribution Portal which serves as the repository for PCS disclosures and trade data noted by the Private Markets’ Platform. This Portal is restricted to QIIs as defined by the SEC Rules & Regulations.
“Placement Memorandum”	means an offer document that serves to provide prospective investors with information on the offer and sale of PCS. Placement/ Information memoranda include circulars, explanatory memoranda, or other equivalent document relating to the issuance of PCS.
“Private Placement”	means a process involving the offer and sale of the PCS to identified investors that does not otherwise constitute a public offering.
“Programme”	means the method of issuance of PCS that allows for multiple issues covered by a standardised documentation framework.
“Promoter”	means a legal entity with substantial interest in the establishment of an Issuer created as a Special Purpose Vehicle/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”	include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by SEC from time to time.
“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.
“Special Purpose Vehicle/Entity” or “SPV/SPE”	means a legal entity created for a limited purpose which may include the acquisition and/or financing of a project, or the set-up of a securitisation or a structured investment vehicle.
“Transaction Sponsor”	means a financial institution appointed by the Issuer in connection with the noting of an Issue on the FMDQ Private Markets PCS Portal (Restricted). The Transaction Sponsor must be in full compliance with all the requirements of the Private Markets.
“Trustee”	means an entity that holds or administers PCDs for the benefit of investors in the PCDs.
“Underwriting Agreement”	<p>means an agreement between an underwriter and an Issuer through which the former undertakes to buy all or part of a new Issue of PCS to be offered for sale with a view to a resale and not as a form of investment. There are two basic types of underwriting:</p> <ol style="list-style-type: none"> 1. Firm underwriting: Where the Issuer sells the entire Issue to the underwriter, who then attempts to resell the PCS. The Issuer receives the agreed amount and all the risks associated with selling the PCS are transferred to the underwriters 2. Standby underwriting: Where the underwriter is legally obligated to take and pay up to the underwritten percentage only if the Issue is not fully subscribed.

1. INTRODUCTION

- 1.1. The FMDQ Private Markets Companies' Noting Guidelines are developed in furtherance of the Private Markets' mandate to galvanise the development of the Nigerian economy. The Guidelines seek to establish the framework through which private companies that have accessed the Nigerian capital markets through the issuance of securities 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 Market's disclosure and reporting requirements.
- 1.2. FMDQ Private Markets seeks to ensure that information on PCS which are voluntarily presented to the Private Market by Issuers, maintain a required level of transparency at all times and that private companies offering their debts or equities securities in the capital markets meet a minimum standard of disclosure as prescribed in these Guidelines.
- 1.3. 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 PCS Programmes/Issuances noted by the Private Markets via the PCS Portal (Restricted).
- 1.4. Issuers who wish to enrol/note their PCS Programmes/PCS 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 the 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 the Private Markets from time to time.
- 1.5. Issuers and Transaction Sponsors shall ensure that all PCS Programmes/Discreet Issues and Series sought to be enrolled/noted by the 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 PCS Programmes/Discreet Issues and Series.
- 1.6. Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCS Programme/Issuance must note that trading of PCS on the FMDQ Securities Exchange platform is prohibited. All trading of PCS must be carried out through the Private Markets' Portal.
- 1.7. Transaction Sponsors of PCS onboarded to the PCS Portal (Restricted) shall also ensure strict compliance with all relevant FMDQ Private Markets Guidelines.
- 1.8. FMDQ Private Markets may defer/waive any of the requirements of these Guidelines, if it is satisfied that the Issuer and/or its Transaction Sponsor have sufficient and satisfactory reasons why such requirements are not applicable or should be deferred/waived.

- 1.9. The Committee retains absolute discretion to accept or reject applications for the enrolment/noting of PCS Programmes/Issuances on the PCS Portal (Restricted).
- 1.10. These Guidelines shall be read in conjunction with relevant FMDQ Private Markets Terms and Conditions and such other Applicable Law as may be prescribed from time.
- 1.11. These Guidelines are non-exhaustive and may be subject to review and amendment from time to time.

2. IMPORTANT NOTICES

- 2.1. PCS are neither approved nor registered by the Commission. To this end, no application in respect of the enrolment/issuance of a PCS Programme/Issuance may be made to the SEC for registration of the securities or clearance of any document related to the enrolment, issuance, offer, transfer or sale of PCS. Consequently, the enrolment, issuance, offer, sale or transfer of PCS shall not in any manner whatsoever, be deemed as an endorsement by the Commission of the securities of the Issuer.
- 2.2. PCS Programmes/Issuances sought to be enrolled/noted by the 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 PCS 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 PCS issued under an enrolled Programme shall not be advertised or publicised.
- 2.3. The FMDQ Private Markets PCS noting service provides a platform for the collation and repository of disclosures of private companies' activities in the Nigerian bond market 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 securities to the FMDQ Securities Exchange's Quotations List.
- 2.4. Issuers/Transaction Sponsors seeking enrolment/noting privileges for their PCS 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 PCS to investors in the primary market.
- 2.5. PCS sought to be noted by the Private Markets shall not have been made available for sale to the public but have been bought by/sold to qualified institutional investors on a bilateral basis.
- 2.6. PCS Issuers and Transaction Sponsors voluntarily present their applications for enrolment/noting by the Private Markets for the enrolment/noting of their PCS Programmes/Issuances on the PCS Portal (Restricted).
- 2.7. The PCS Portal (Restricted) shall be accessible only to Qualified Institutional Investors (as defined by

the SEC).

- 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. PCS Issuers/Transaction Sponsors shall bear full responsibility for the accuracy and completeness of information provided in accordance with these Guidelines. FMDQ 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 PCS Programmes/PCS on the Private Markets Portal.

PART B: NOTING OF PRIVATE COMPANIES’ SECURITIES

3. GENERAL GUIDELINES

- 3.1. An application for the enrolment/noting of PCS Programmes/Issuances in the PCS Portal (Restricted) shall be submitted by a Transaction Sponsor approved FMDQ Private Markets.
- 3.2. All applicants shall submit the FMDQ Private Markets-advised Application Form, along with all documentation requirements and disclosures are 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 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. Issuers 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.
- 3.5. All secondary market transfers of PCS shall be strictly effected on a private basis between QIIs, carried out on the Private Markets’ PCS Portal.
- 3.6. Transaction Sponsors shall ensure Issuers comply with all obligations in respect of their enrolled/noted PCS Programmes/Issuances and will be required to furnish a quarterly Compliance Report to the Private Markets in the prescribed form (see [Template I](#) of the Template guide) .
- 3.7. The Private Markets shall review the Private Companies’ Securities Noting Guidelines on an ongoing basis to ensure conformity with international best practices.
- 3.8. The Private Markets reserves the right to remove any PCS from the PCS Portal (Restricted) for failure of an Issuer or other relevant party to the Issue to abide by the provisions these Guidelines.
- 3.9. Prospective Transaction Sponsors and Issuers may voluntarily file transaction documents to the

Private Markets for review, prior to issuance. Pre-assessment reviews conducted by the 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 PCS issuance.

- 3.10. The Private Markets may grant exemptions to the application of these Guidelines, as it may deem necessary.
- 3.11. The Private Markets retains the absolute discretion to accept or reject applications for enrolment/noting of Programmes/Issuances on its PCS Portal (Restricted).
- 3.12. All Issuers granted enrolment/noting privileges on the 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.
- 3.13. The 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.
- 3.14. These Guidelines shall be read in conjunction with all relevant and applicable Terms & Conditions.

4. CONDITIONS FOR THE NOTING OF PCS

4.1. Features and Mode of Issue

- (i) PCS 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) PCS may be held in dematerialised form through a CSD.
- (iii) PCS shall be registered and lodged with a CSD recognised by the Private Markets and the Commission. An ISIN code assigned by the CSD in respect of the PCS will be required.
- (iv) PCS 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 shall file with the Private Markets, any updated or supplemental Offer Documents with respect to each series/tranche, containing details of the new series/tranche and material changes, if any, in the information provided in the Offer Documents of the enrolled Programme.

4.2. Rating Requirement

- (i) PCDs Programmes/Issuances sought to be enrolled/noted by the Private Markets on the PCS Portal (Restricted) shall be rated by a credit rating agency registered or recognised by the Commission.
- (ii) The relevant rating (i.e. either Issuer or PCD Programme/Discreet Issue/Series) shall be minimum investment grade as evidenced by a valid and subsisting credit rating report.

4.3. Credit Enhancement of the Issue

- (i) PCDs may be guaranteed by any of the following entities:

- (a) Federal Government of Nigeria.
 - (b) CBN-licenced banks.
 - (c) Development finance institutions.
 - (d) Credit guarantee agencies and corporations.
 - (e) Any other category of guarantor as may be approved by the Private Markets.
- (ii) Where the Issue is guaranteed by a corporate entity, such entity shall have a valid and subsisting credit rating of a minimum of investment grade obtained from a credit rating agency registered or recognised by the Commission.
- (iii) Where a prospective guarantor is a non-bank corporate entity, in order for that to be deemed eligible under these Guidelines, the guarantor shall be required to meet the same eligibility criteria for Issuers as prescribed in section 4 and such other requirements as may be prescribed by the Private Markets from time to time.
- (iv) The Private Markets shall require Issuers/Transaction Sponsors to provide relevant documents in respect of guarantors, which include but are not limited to the following:
- (a) Deed of Guarantee (See [Appendix II: Contents of Guarantee Agreement](#)).
 - (b) Latest audited accounts of the guarantor not exceeding twelve (12) months from the date of the submission of the application for the enrolment/noting of the Programme/Discreet Issue/Series.
 - (c) 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 PCS Programme/Issuance, signed by the Managing Director and Chief Financial Officer.
 - (d) Such other documentation requirement as may be stipulated by the Private Markets from time to time.
- (v) Where a guarantor's credit rating is downgraded below investment grade, the Issuer shall be required to replace the guarantor with another eligible guarantor within five (5) business days.
- (vi) Issuers may be required to provide evidence that credit enhancement arrangements (where applicable) are in place for the entire period that their PCS remain outstanding and noted by the Private Markets.

4.4. Shelf Filing of PCS

- (i) PCS may be issued under a Programme enrolled by the Private Markets.
- (ii) Where the PCDs is issued under a Programme, the Issuer has the discretion to have several series of PCDs Issues with separate maturity dates.
- (iii) Where the PCD is issued under a Programme, the Issuer shall be required to file executed supplementary memoranda/pricing supplements which shall be disclosed on the PCS Portal (Restricted).
- (iv) An enrolled Programme shall be effective for a period of three (3) years from the date it is enrolled by the Private Markets.

4.5. 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 the Private Markets.
- (ii) The offer and sale of PCS 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 PCS 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 PCS **must** carry the following language:
THE SECURITIES 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) Within two (2) business days of settlement, the Transaction Sponsor shall be required to file an Allotment Report in the manner prescribed in [Template II](#) providing the following information:
 - (a) Percentage of the Issue purchased by each investor group.
 - (b) Confirmation that the subscribers are strictly Qualified Institutional Investors in accordance with the provision of these Guidelines.
 - (c) Such other information as may be required by the Private Markets.
- (vi) The Private Markets may from time to time provide further Private Placement Guidelines on the noting of PCS by the Private Markets on the PCS Portal (Restricted).

5. ELIGIBILITY CRITERIA FOR ISSUERS

- 5.1. An Issuer seeking enrolment/noting privileges shall be a private limited company duly incorporated under CAMA and shall be in conformity with its Memorandum and Articles of Association and other relevant constitutional documents with regards to capacity to issue debt securities, borrowing limits, *inter alia*.
- 5.2. Eligible Issuers/Promoters must have been in operation not less than three (3) years from the date of application for enrolment/noting of PCS Programmes/Issuances on the PCS Portal (Restricted).
- 5.3. Eligible Issuers/Promoters must have shareholders' funds (*unimpaired by losses*) not less than

₦500,000,000.00 (Five Hundred Million Naira) as evidenced by latest audited accounts (not being later than twelve (12) months from the last financial year-end) and shall be maintained at or above that level for the entire period their PCS Programmes/Issuances remain enrolled/noted by the Private Markets.

- 5.4. Eligible Issuers/Promoters shall be rated minimum investment grade evidenced by a valid and subsisting credit rating report issued by a credit rating agency registered or recognised by the Commission.
- 5.5. Where Issuers/Promoters do not meet the requirements stipulated in section 5.3 to 5.4 above, the issues under the Programme/Discreet Issue sought to be noted/enrolled by the Private Markets may be required to be backed by a guarantor or such other credit enhancement provider that meets the above requirements and such other requirements as may be prescribed by the Private Markets from time to time.
- 5.6. Eligible non-bank Issuers/Promoters shall have no overdue loans or defaults in their credit information report obtained from a CBN-licenced credit bureau and the credit information report shall be issued no later than ten (10) business days prior to the date of the application for the enrolment/noting of the PCD Programme/Issuance by the Private Markets.
- 5.7. Notwithstanding the provisions of section 5.1 to 5.4, where the Issuer is an SPV/SPE set up for the purpose of issuing asset- or mortgage-backed PCBs, the following eligibility criteria shall apply:
 - (i) The SPV/SPE shall provide a minimum of three (3) years performance history of the underlying assets or mortgages.
 - (ii) The SPV/SPE shall provide cash flows of the underlying assets or mortgages.
 - (iii) Such other provisions as may be prescribed by the Private Markets from time to time.

6. DOCUMENTATION AND DISCLOSURE REQUIREMENTS

- 6.1. The Issuer/Promoter of a PCS Programme/Issuance sought to be enrolled/noted by the Private Markets on the PCS Portal (Restricted) shall, through its Transaction Sponsor, 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 6.2 and 6.3 below may suffice unless hard copies are expressly requested by FMDQ Private Markets. Where the Issuer had previously provided any of the documents/disclosures outlined below and such document remains valid and subsisting, the Issuer shall indicate as such by executing the Declaration of Prior Disclosure in the manner prescribed in Template III of the Template Guide attached to these Guidelines.

- 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) A resolution passed by the board of directors/shareholders of the Issuer approving the Programme /Discreet Issue
- (iv) Audited annual reports and accounts covering the last three (3) years, the most recent not exceeding twelve (12) months from the date of the 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 including detailed profiles of the directors and executive management staff of the Issuer.
- (viii) Valid and subsisting credit rating report of the Issuer/Promoter/Guarantor obtained from a credit rating agency registered or recognised by the Commission (*where applicable*).
- (ix) Any documentation that provides information and details of any charges/encumbrances on the Issuer's cash flows.
- (x) Comprehensive schedule of the Issuer's current debt profile by type, purpose, tenor and maturity dates.
- (xi) Comprehensive schedule of all material contracts executed by the Issuer.
- (xii) Details of any litigations/claims currently involving the Issuer, certified by the external solicitor of the Issuer.
- (xiii) Evidence that the issuance of the PCS does not exceed the limit of the Issuer's borrowing powers.
- (xiv) Credit information report of the Issuer obtained from a CBN-licenced credit bureau.
- (xv) Undertaking to abide by the Guidelines, including continuous reporting and disclosure requirements ([see Template IV of the Template Guide](#)) and to pay all relevant fees as provided in the FMDQ Private Markets fees & dues framework which are subject to review from time to time.
- (xvi) Bank reference on the Issuer/Promoter ([see Template V of the Template Guide](#)).
- (xvii) Evidence of payment of application fee.
- (xviii) Declaration of Compliance by the Issuer in the prescribed form ([see Template VI of the Template Guide](#)).
- (xix) Such other documentation as may be required by the Private Markets.

6.3. The following documents/disclosure requirements shall be filed with the Private Markets, with respect to the Issue:

- (i) Special resolution of the board authorising the PCS Programme/Discreet Issue and the approved amount (where applicable).
- (ii) Resolution of the company in general meeting authorising the PCS 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 Issue
- (iv) Executed Vending agreement
- (v) Executed Trust Deed
- (vi) Executed Underwriting Agreement (where applicable)
- (vii) 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.
- (viii) Valid and subsisting credit rating of the Issue obtained from a credit rating agency registered or recognised by the Commission.
- (ix) Details of any credit enhancement to support the Issue in the form of Deed of Guarantee or other equivalent document
- (x) Credit information from a CBN-licenced credit bureau.
- (xi) Transaction Sponsor's Declaration in respect of the Issue
- (xii) Solicitor's opinion on the Issue.
- (xiii) Evidence of payment of all relevant fees and dues as set out in the FMDQ Private Markets fees & dues framework.
- (xiv) Such other documentation as may be required by the Private Markets.

7. POST-NOTING AND CONTINUOUS REPORTING OBLIGATIONS

- 7.1. The Issuer, through its Transaction Sponsor, shall be required to file a quarterly Compliance Report in the manner prescribed in Template V of the Template Guide of these Guidelines within ten (10) business days of the end of each quarter.
- 7.2. Failure of the Issuer 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 PCS from the PCS Portal (Restricted).
- 7.3. Rating reports in respect of the Issuer/Promoter and the Programme/Discreet Issue shall be provided by the Transaction Sponsor on a periodic basis, no later than annually. The Transaction Sponsor shall immediately notify FMDQ Private Markets of any revision to the Issuer/Promoter and the Programme/Discreet Issue rating of the PCDs (where applicable).
- 7.4. The Issuer shall comply with the continuous reporting and disclosure requirements and other continuous disclosure requirements as may prescribed by the Private Markets from time to time, including but not limited to the completion of periodic anniversary rating review process in respect of the PCDs and payment of annual noting fees as prescribed by the Private Markets.
- 7.5. Failure by the Issuer to comply with the post-noting and continuous reporting obligations as outlined by the Private Markets shall constitute an event of default in respect of the PCS and attract such penalties as may be prescribed by FMDQ Private Markets from time to time.
- 7.6. These Guidelines are non-exhaustive and may be subject to review and additions from time to time.

PART C: DUTIES, OBLIGATIONS, AND ENFORCEMENT OF THE GUIDELINES

8. DUTIES AND OBLIGATIONS OF PCS ISSUERS

- 8.1. The Issuer shall be bound by the terms and conditions disclosed by the Issuer/Promoter in the executed Offer Documents filed with the Private Markets.
- 8.2. The Issuer shall, through its Transaction Sponsor, treat the prospective investors in the PCS in a fair and equitable manner and in accordance with the FMDQ Private Markets Guidelines
- 8.3. The Issuer shall, through its Transaction Sponsor, provide all prospective investors in the PCS 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.
- 8.4. The Issuer shall take steps to ensure that it does not default on payment of principal and interest or dividend payments (as applicable) on PCS as and when due to investors.
- 8.5. In the event of a default by the Issuer, the Issuer shall pay interest of the amount due to investors at the Default Rate.
- 8.6. The Issuer shall treat the investors in the PCS in a fair and equitable manner and in accordance with any Guidelines, bulletins, and such other Terms and Conditions as may be prescribed by the Private Markets from time to time.
- 8.7. The Issuer shall, through the Transaction Sponsor, provide the Private Markets with any information that may affect its creditworthiness.
- 8.8. The Issuer shall ensure that the amount raised through the Issue are utilised for the purpose stated in the Offer Documents.

9. DUTIES AND OBLIGATIONS OF THE TRANSACTION SPONSORS

- 9.1. An application for enrolment as a Transaction Sponsor to present an issuer of PCS for noting on the PCS Portal (Restricted) shall be filed with FMDQ Private Markets based on a set of qualification criteria and payment of the requisite eligibility fees upon application, as well as annual fees.
- 9.2. The Transaction Sponsor 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 the Private Markets and other relevant regulatory authorities.
- 9.3. The Transaction Sponsor shall notify the 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.

- 9.4. The Transaction Sponsor shall use all reasonable endeavours to procure revised or supplemental documentation which will correct any untrue statement or include such omitted fact referred to in section 9.2 above.
- 9.5. The Transaction Sponsor shall ensure that Issuers of PCS Programmes file all updated or supplemental Offer Documents with respect to each series/tranche, containing details of the series/tranche and material changes, if any, in the information provided in the Offer Documents of their enrolled Programmes.
- 9.6. The Transaction Sponsor shall at all times advise their respective Issuers of all the noting and continuous reporting and disclosure requirements as may be provided in these Guidelines (as may be amended or supplemented from time to time).
- 9.7. The Transaction Sponsor shall notify the 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.
- 9.8. The Transaction Sponsor shall conduct adequate due diligence in respect of assignments undertaken by them in respect of offer and distribution of the PCS to investors.
- 9.9. The Transaction Sponsor shall ensure that all investors meet the eligibility criteria for investors as prescribed by the Private Markets.
- 9.10. The Transaction Sponsor shall within two (2) business days of settlement, submit an Allotment Report providing a summary of the various groups of investors in the PCS. A sample of the Allotment Report is provided in Template VI of the Template Guide.
- 9.11. The Transaction Sponsor shall on behalf of the Issuer, file quarterly Compliance Reports with the Private Markets (see Template V of the Template Guide)
- 9.12. The Transaction Sponsor shall provide such other information as may be required by the Private Markets throughout the tenor of the PCS.
- 9.13. The Transaction Sponsor shall be bound by these Guidelines and such other Terms and Conditions as may be prescribed by the Private Markets from time to time.

10. ENFORCEMENT OF THE GUIDELINES

- 10.1. 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 PCS from the PCS Portal (Restricted).
- (iv) Remove the PCS 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 actions as the Private Markets may deem fit to make upon due consideration of the violation.

10.2. Power to suspend or remove a PCS 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 the 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. Such conditions include but are not limited to the following:
 - (a) The Issuer fails to comply with all relevant FMDQ Private Markets Guidelines, bulletins as such other Terms and Conditions as may be made from time to time.
 - (b) The Private Markets considers that the Issuer does not have satisfactory level of operations or sufficient assets to warrant the continued noting of its PCS in the PCS Portal (Restricted).
 - (c) The Issuer fails to meet the corporate governance standards as may be prescribed by the Private Markets and other relevant regulatory authorities.
 - (d) The Committee considers that the Issue is no longer be suitable for noting.
 - (e) Such other circumstances as the Committee may deem fit to suspend or remove a PCS from the PCS Portal (Restricted).
- (ii) Where an Issuer seeks a suspension of its noted PCS, the request for suspension must be articulated by the Transaction Sponsor 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's activities and the current state of events with respect to the Issuer's activities in order for the Committee to assess the need for and appropriate duration of the suspension. The continuation of a suspension for a prolonged period without the Issuer taking appropriate action to obtain restoration for noting may lead to the Committee removing the Issue from the PCS Portal (Restricted).
- (iii) Where the Committee considers that Issue is no longer suitable for noting, the Issuer/Transaction Sponsor 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/Transaction Sponsor to take such remedial action within the stipulated timeframe

shall lead to a removal of the Issue from the PCS Portal (Restricted)

- 10.3. Where the Issuer defaults in its payment obligations to investors or other event of default in respect of the PCS as determined by the Private Markets occurs, the following shall take effect:
- (i) Early termination/liquidation of the Issue at the discretion of investors in the PCS.
 - (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 the Private Markets from time to time.
- 10.4. Failure of Transaction Sponsors to comply with the provisions of these Guidelines or such other Terms and Conditions as may be prescribed by the 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 the Private Markets from time to time.

APPENDIX I: CONTENTS OF THE OFFER DOCUMENT

The table below provides an indicative template of the information which FMDQ Private Markets requires to be provided in the Offer Documents of Private Companies' Securities (PCS).

Please note that this is simply a guide to the Issuer and Transaction Sponsor seeking to enrol/note PCS Programmes/Issuances on FMDQ Private Markets. Issuers and their Transaction Sponsors are fully responsible for the contents of the Offer Documents in respect of their Issues and as such FMDQ 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 PCS sought to be noted by the Private Markets on the PCS Portal (Restricted).

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

S/N	Heading	Sub-Heading	Content Guidelines
1.	Company Description	Overview	Overview of the business of the Issuer
		History	Brief information about the history of the Issuer
		Strategy	<ul style="list-style-type: none"> i. Long-term priorities and objectives ii. Growth opportunity iii. Brand strategy iv. Social and environmental commitments
		Business Activities	<ul style="list-style-type: none"> i. By geographical area ii. Trading performance by sector/market
		Market Description	<ul style="list-style-type: none"> i. Segments ii. Technology evolution iii. Competitors iv. Regulation v. Environmental matters
		Management Overview	Profiles of the following key persons: <ul style="list-style-type: none"> i. Board of directors ii. Key Management staff
		Financial Performance	<ul style="list-style-type: none"> i. Summary of consolidated and [individual] financial statements ii. Trading performance history iii. Cash flows, working capital and capex iv. Credit metrics v. Financial structure and bank relationships
		Other Information	<ul style="list-style-type: none"> i. Legal matters/litigation ii. Other (socially responsible investment) iii. Health and safety iv. Research and development

			<ul style="list-style-type: none"> v. Information Technology vi. Intellectual property vii. Insurance viii. External Risk Factors ix. Related party transactions
		Information Specific to SPV/SPE Issuers	<p>Where the Issuer is a SPV/SPE set up to issue asset- or mortgage-backed securities the Placement Memorandum shall provide the following information:</p> <ul style="list-style-type: none"> i. Minimum of three years' credit history of the underlying assets or mortgages ii. Information outlining predictable cash flows of the underlying assets or mortgages
2.	Key Considerations	Operational positioning	<ul style="list-style-type: none"> i. Key business strengths ii. Brand iii. Diversification (market, sector, geography, etc.) iv. Client analysis and relationship with suppliers v. Competitive position
		Financial Positioning	<ul style="list-style-type: none"> i. Statement of Profit or Loss ii. Statement of Financial Position iii. Cash Flow Statement iv. Statement of Changes in Equity v. Investment Policy vi. Dividend Policy vii. Main financial covenants and guarantees
		Risk Factors	<p>Information on the material risk factors relevant to the investment in the PCD of the Issuer should be provided in the Offer Document</p> <p>The Offer Documents shall also expressly state that the PCD is rated and emphasise the risks of investing in PCDs (in clear and unambiguous language)</p>
		Tax Considerations	Information with respect to taxation in respect of the Issue shall be provided in the Offer Documents.
3.	Terms and Conditions of the Issue	Form, Denomination and Title	<p>The Issuer will be required to maintain a register in respect of the Issue, which will record the serial number (if relevant), holder and transfer of each issue. The person in whose name the PCS is registered shall be treated as its absolute owner for all purposes.</p> <p>The Offer Documents shall that the PCS shall be issued in dematerialised form.</p>

	Status of the Issue	<ul style="list-style-type: none"> i. The Offer Documents (for PCDs) shall state whether the Issue constitutes secured or unsecured debt obligations of the Issuer ii. The Offer Documents (for PCDs) shall also state whether the Issue ranks pari passu other senior debt of the Issuer having equivalent characteristics save duly documented exceptions (any specific limitation on granting of security interests to be stipulated in the negative pledge provision)
	Negative Pledge	<ul style="list-style-type: none"> i. When drafting this clause (for PCDs), consideration should be given to consistency with negative pledge clauses in existing bank loans and other senior debt documentation with similar characteristics (if any), particularly with regards to exceptions and thresholds, so that investors' claims benefit from the same protections as those bank loans and other senior debts. ii. When drafting the negative pledge, the Issuer should compile a statement of existing security interests or guarantees and submit it to the investors.
	Financial Covenants	<p>The financial covenants described below may vary depending on the circumstances of the Issuer and the PCS Issue.</p> <ul style="list-style-type: none"> i. Financial covenants may include, inter alia, one or several covenants such as, a gearing ratio, cash flow ratios, a leverage ratio, an interest cover ratio and possibly annual limits on capital expenditure. ii. The ratios, each component of the ratios and any corresponding definitions should be clearly drafted to ensure consistency with those used in the Issuer's bank loans and other senior debt documentation with similar characteristics (if any) and/or the accounting policies or requirements of the Issuer. iii. The frequency and timing for calculating the ratios and providing such calculations to investors should be stipulated in the Offer Documents (likely to be annually, or more frequently, depending on the relevant regulatory requirements, other

			requirements of the investors and the situation of the Issuer).
		Information Disclosure Undertakings	<p>Although the circumstances will vary for each Issuer and each Issue, the information that Issuers are likely to be required to disclose to investors in order to ensure compliance with, and/or prevent a breach of, an undertaking may include some or all of the following:</p> <ol style="list-style-type: none"> i. Financial data prepared on the basis set out in the Offer Documents (consolidated and non-consolidated annual financial statements and, where appropriate, interim financial statements, along with the relevant statutory auditors' reports and significant historical data), statement of existing security interests or guarantees and business plan, where appropriate; ii. Events affecting the Issuer's indebtedness, such as occurrence of an event of default, characteristics of new debt, amendments and waivers, acquisitions and the extension of financing, invocation of an exception to the negative pledge for a significant amount, etc. iii. Description of debt, security interests and guarantees and other specific characteristics in order to assess the potential for subordination of claims. iv. All documents sent to the Issuer's shareholders or other creditors. v. Details of litigation, arbitration or administrative procedures and further information regarding the financial condition, business and operations of the Issuer or its group as may be reasonably requested by the investors and in all cases as agreed between the Issuer and the investor.
		Other undertakings	<p>Other required undertakings will depend on the nature and situation of the Issuer and the Issue. However, generally, the Issuer may be required to give some or all of the following undertakings as to:</p> <ol style="list-style-type: none"> i. Compliance with all relevant authorisations and laws.

			<ul style="list-style-type: none"> ii. Restrictions on disposals of assets. iii. Restrictions on mergers and corporate restructurings generally in certain circumstances. iv. Restrictions on substantial changes to business. v. Potential requirement to hold an annual meeting with senior management of the Issuer. vi. Use of proceeds of the Issue. vii. Sources of repayment in respect of the Issue. viii. Potential limits on the incurrence of additional indebtedness of the Issuer and its subsidiaries (for PCDs)
		<p>Representations</p>	<p>Although the circumstances will vary for each Issuer and each Issue, the information that Issuers are advised to represent to investors may include some or all of the following representations as to:</p> <ul style="list-style-type: none"> i. Corporate matters: due incorporation and existence of the Issuer, power and authority to Issue the PCS, validity and admissibility of authorisations and compliance with Issuer’s memorandum and articles of association or other equivalent constitutional documents. ii. Governing law, enforceability, and conflict: that obligations under the Issue are legal, valid, binding, and enforceable, and do not conflict with law or regulation applicable to the Issuer, its constitutional documents, and other obligations. iii. Accuracy of the information provided. iv. Financial statements. v. Insolvency proceedings. vi. Pari passu ranking. vii. Litigation pending or threatened. viii. That the PCS are offered on a private placement basis rather than to the public, and that all financial regulatory requirements have been met in connection with the Issue. ix. That the Programme/Issue shall be enrolled/noted by FMDQ Private Markets which, upon acceptance of the enrolment/noting by the FMDQ Private Markets Board Committee may only be transferred

			to Qualified Institutional Investors and subsequently reported to the Private Markets
		Private Placement	<p>PCS shall be strictly issued via private placement. The Offer Document shall boldly state on its front page:</p> <p>THE SECURITIES 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.</p>
		Events of Default	<p>The scope and application of the events of default will depend on the structure and complexity of the Issuer and its group (if applicable) and will be set out in the Offer Documents. Although the circumstances will vary for each Issuer and each Issue, the events of default (for PCDs) will usually include:</p> <ol style="list-style-type: none"> i. Non-payment of amounts due under the Issue (unless caused by certain technical errors or remedied within a certain grace period). ii. Cross default and/or cross acceleration. The defaults which may trigger a cross default clause may be subject to minimum thresholds and usually cover financial indebtedness such as bond debt, bank debt, financial debt such as leasing debt, receivables and factoring debt, derivatives and guarantees or indemnities. iii. Events relating to insolvency, creditors' processes (subject to certain thresholds and grace periods). iv. Failure to complete periodic anniversary rating review process in respect of the PCDs and effect payment of annual noting fees as prescribed by FMDQ Private Markets as at when due and such other post-noting compliance obligations as outlined in the Guidelines

			<p>v. Occurrence of a material adverse change (on the basis of a definition to be agreed).</p> <p>vi. Such other event as may be determined as an event of default from time to time.</p> <p>The Offer shall boldly state that Events of Default shall attract the following:</p> <ul style="list-style-type: none"> ▪ Early termination/liquidation of the issue at the discretion of investors in the PCD ▪ 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. ▪ Such other penalties as may be prescribed by the Private Markets from time to time
		Transferability	<p>Applicable restrictions to transferability of the PCS should be disclosed.</p> <p>The Offer Documents should also expressly state that the PCS can also be transferred to Qualified Institutional Investors.</p>
		Ratings	<p>The Offer Documents shall state in clear and unambiguous language, whether the PCD Programme and/or Issue(s) shall be rated.</p> <p>Rated PCDs shall not be below investment grade and shall be obtained from a credit rating agency registered or recognised by the Securities and Exchange Commission, Nigeria.</p> <p>An extract of the rating report shall be provided in the Offer Documents.</p>
		Parties to the Issue	<p>The Offer Documents shall provide information about all parties to the Issue.</p>
4.	Declaration by Investor		<p>The Offer Documents shall provide information to the effect that the investors in the PCS have declared that they possess the requisite knowledge, skill and experience in business,</p>

			financial and investment matters and are capable of evaluating the merits and risks of an investment in PCS.
5.	Disclaimer		The Offer Documents shall boldly state the following disclaimer: FMDQ PRIVATE MARKETS 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.

APPENDIX II: CONTENTS OF GUARANTEE AGREEMENT

The table below provides an indicative template of the general contents of a guarantee agreement between the Issuer/Trustee and the Guarantor. It is not intended to be exhaustive or finite and may vary depending on the circumstances of the Issuer/Trustee and the Guarantor.

S/N	SUBJECT	DETAILS
1.	Guaranteed Obligations	The agreement shall clearly state the obligations of the Issuer to be guaranteed by the Guarantor. Whether partial or full, conditional or unconditional.
2.	Guarantee and Indemnity of Guaranteed Obligations	The agreement shall disclose in full, the Guarantee and Payment Covenants as well as any indemnity clauses
3.	Payments and Taxes	The guarantee agreement shall disclose all payments and taxes dues under the guarantee and the manner in which such payments shall be made.
4.	Events of Default and Enforcement of Guarantee	The guarantee agreement shall disclose actions to be taken by either party in the event of default
5.	Obligations of Trustees	The guarantee agreement shall disclose the obligations of the Trustee
6.	Reporting Requirements	The guarantee agreement shall disclose any reporting obligations of any of the parties to the agreement.
7.	Transfer of Obligations	The Guarantee Agreement shall stipulate the conditions for a valid transfer of the obligations of the Guarantor.
8.	Guarantor's Covenants	The Agreement shall disclose the Guarantor's covenants
9.	Governing Law and Jurisdiction	The guarantee agreement shall disclose the governing law and jurisdiction.
10.	Dispute Resolution	The guarantee agreement shall disclose the dispute resolution mechanisms to be adopted in the event of a dispute between the parties.
11.	Execution	The guarantee agreement shall disclose the form in which it shall executed.
12.	Miscellaneous	All provisions of the guarantee agreement shall be in line with the principles of commercial reasonableness.