

August 22, 2016

FMDQ/MRG/220816/MB-13

From: MARKET REGULATION GROUP
To: ALL DEALING MEMBER (BANKS) OF FMDQ OTC SECURITIES EXCHANGE

FURTHER GUIDANCE ON THE APPLICATION OF THE OTC FX FUTURES MARKET OPERATIONAL STANDARDS

1. The following guidance is issued pursuant to section 2.4 of the OTC FX Futures Market Operational Standards (the “Standards”).
 - Due to the implicit strategy of the current CBN OTC FX Futures quotes, ***existing Foreign Direct Investments, Foreign Portfolio Investments and Foreign Currency Loan transactions*** executed prior to the launch of the Naira-Settled OTC FX Futures Market on **Monday, June 27, 2016**, shall be suspended as eligible underlying transactions for the purpose of executing OTC FX Futures contracts, and as such, will not qualify for hedges using the current quotes supplied by the CBN, until such a time as advised by FMDQ.
2. In the interest of clarity, the above exception shall not apply to any of the above-mentioned eligible underlying transactions executed prior to June 27, 2016 which have already gained access to the OTC FX Futures market prior to the issuance of this Market Bulletin. Consequently, such transactions shall remain valid.
3. Dealing Member (Banks) are hereby directed to take note of the above guidance and comply.
4. This Market Bulletin supersedes the Market Bulletin reference **FMDQ/MRG/270716/MB-11(R)** previously advised to Dealing Member (Banks).

Please be guided accordingly.



Jumoke Olaniyan
Divisional Head
Market Development & Regulation