

MARKET NOTICE

To: ALL FMDQ OTC SECURITIES EXCHANGE MARKET PARTICIPANTS
From: MARKET DEVELOPMENT GROUP
Reference: FMDQ/MDG/151116/MN-03 (R)
Notice Date: NOVEMBER 15, 2016
Effective Date: NOVEMBER 15, 2016
Purpose: CLOSING RATE METHODOLOGY REVISION

CHANGE IN THE METHODOLOGY FOR DAILY MARKET SPOT FOREIGN EXCHANGE (FX) CLOSING RATE

FMDQ appreciates the importance of a market's closing rate and will therefore continue to ensure the methodology remains as credible as possible. Consequently, the need for all market participants to play their parts in ensuring an FX Market aligned with global best practice is paramount. In line with FMDQ's mandate to promote price discovery, there is the need to ensure FX trading activities in the market are fully captured to reflect the required transparency to all stakeholders.

FMDQ had been concerned with the significance of confirmed trades on the designated FX Trading System which informed the Market Notice (MN-03) issued yesterday. However, it has received reasonable assurance that Dealing Member (Banks) [DMBs]/Authorised Dealers will promptly update their inter-Member trades and trades with clients on the designated FX Trading Systems accordingly. DMBs are also therefore encouraged to advise their clients to expedite action on the CBN FX onboarding directive for corporates to further enhance the transparency of the market.

Based on the foregoing, DMBs are encouraged to confirm all trades and voice report trades done via other mediums (including telephones) during business hours (i.e. by 2:00 PM daily) on the designated FX Trading System.

The daily market Spot FX closing rate shall, going forward, be the last available executed trade on the designated FX Trading System (currently the Thomson Reuters FX Trading System) at 2:00 PM.

Dealing Member (Banks) are hereby directed to take note of the above guidance and comply.

This Market Notice supersedes the Market Notice reference FMDQ/MDG/141116/MN-03 previously advised.

Please be advised accordingly.



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