

MARKET NOTICE



To: ALL MARKET PARTICIPANTS
From: MARKET DEVELOPMENT GROUP
Reference: FMDQ/MDG/210417/MN-10
Notice Date: APRIL 21, 2017
Effective Date: APRIL 21, 2017

NAIRA-SETTLED OTC FX FUTURES CONTRACTS – PRODUCT REVISION

1. This Market Notice is issued pursuant to the Central Bank of Nigeria (“**CBN**”) circular dated April 21, 2017 (Ref: FMD/DIRCIR/GEN/08/007) and titled *Establishment of Investors’ & Exporters’ FX Window*.
2. Further to the above and in accordance with clause 6.0 of the aforementioned circular, all market participants of the Naira-Settled OTC FX Futures Market are hereby notified that all Naira-Settled OTC FX Futures contracts executed from the date of this Market Notice, shall be settled using the NAFEX rate on the maturity date of the Naira-Settled OTC FX Futures contracts.
3. NAFEX replaces the Nigerian Inter-bank Foreign Exchange Fixing (“**NIFEX**”) as the reference fixing for the Naira-Settled OTC FX Futures market
4. Consequently, all references to NIFEX in the OTC FX Futures Market Operational Standards, Framework, Close-Out Methodology, Agreements, and such OTC FX Futures market-related documentation shall be replaced with NAFEX.
5. NAFEX is the FMDQ reference rate for foreign exchange (“**FX**”) activities in the Investors’ & Exporters’ FX Window (the “**Window**”) and is designed to represent Spot FX market rates in the Window. NAFEX rates are generated independently and objectively and will be published every business day at 12:00 noon or at the FMDQ-advised time(s), commencing April 24, 2017. The detailed NAFEX methodology is available on the FMDQ website at the following [link](#).
6. This Market Notice shall take effect **immediately**.

Please be guided accordingly.

Should you have any question(s) about this Market Notice, please do not hesitate to contact the FMDQ Market Development Group at mdg@fmdqotc.com.