

**A SECURITIES EXCHANGE
AS AN AGENT OF
CHANGE**

FMDQ

...empowering the OTC markets

FMDQ: The GOLD Agenda For Empowering The OTC Markets

G

**Global
Competitiveness**

O

**Operational
Excellence**

L

Liquidity

D

Diversity

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Preface

This is the first account that aims to capture the sequence of activities that birthed the transformation of the Nigerian OTC financial markets landscape, through this unique and celebrated institution called FMDQ. It definitely will not be the last.

I initially considered the idea of documenting the history of FMDQ, so soon after its launch, to be somewhat premature. Indeed, when organisations invite me to speak about FMDQ's success, I am puzzled as I do not think in those terms, given that we have only started scratching at the surface of the lofty goals we have set for ourselves - both as an institution and a securities exchange. Our sights are firmly set on becoming a world-class institution and world-class securities exchange.

However, what is clear to everyone, even now, is that FMDQ will be a systemically important financial markets infrastructure in Nigeria and a catalyst for economic development, perhaps for the West African region.

This is an opportunity to thank our communications consultants, Bluebird Communications Limited, for working assiduously under immense pressure to produce this account and FDHL-MT (the consultants to the FMDQ project) for being available to provide all required information, and at times, undocumented information on the FMDQ history.

I also want to thank the Board Chairman for challenging me to prepare this first account, during one of our usual stimulating meetings. The process of telling the story and capturing our achievements has given us the opportunity to share our aspirations and insights into the next phase of the FMDQ narrative.

The evolving narrative of FMDQ, even at this early stage, is an interesting one but will no doubt get fuller and more commanding over the fullness of time. However, there will be some facts that will remain constant. One is that the establishment of the securities exchange is a testament to what can be achieved with vision, perseverance and passion. The other is that FMDQ emerged from a concept in the minds of brilliant professionals in the Nigerian financial market as a result of the progressive collaboration between the Financial Markets Dealers Association, the Deposit Money Banks, the Central Bank of Nigeria, the Securities and Exchange Commission, the Debt Management Office, our consultants, and the FMDQ inaugural Board and staff.



Bola Onadele. Koko

July 29, 2014

Foreword

by Mr. Aigboje Aig-Imoukhuede, CON

The idea of a securities exchange to serve Nigeria's money market did not come up for the first time in 2009. Much earlier in the millennium, the FMDA had challenged itself to transform to an SRO. Indeed in presentations that I had made to the FMDA at its annual retreats, I also had challenged them to think in this direction. However, like all good ideas, an OTC platform needed to be incubated and nurtured before being birthed.

When Akin Dawodu, in his capacity as FMDA President, shared the FMDQ initiative with me, the first thing I told him was that this was not a journey we could undertake alone. I had studied the financial markets ecosystem carefully and concluded that all stakeholders - regulators, operators, users, "competitors", media etc. - would need to back this initiative for us to see it through.

I reflected on the challenges the FMDA had encountered prior to 2009 which had prevented their dream from an early fruition and concluded that it was simply a matter of time and that Nigeria was ready for this securities exchange.

For such a transformational project to be successful, the first thing you require is a credible roadmap, and this we put together following months of intellectual debates and the application of our energies to come up with a world-class business plan. Thereafter, we commenced the process of stakeholder buy-in. Fortunately, after the 2008/09 financial crises, stakeholders did not need to be reminded that our financial markets infrastructure required significant improvement. The Securities and Exchange Commission, the Central Bank of Nigeria, operators, especially Bank CEOs and treasurers, all agreed that there was a need for an OTC exchange for our money markets. We had also brought in financial journalists who were interested in the transparent dissemination of information to the public, and my belief was to systematically and methodically get our stakeholders to join the FMDA on this journey. My feeling was that we had to encourage them to play their roles in a manner that would ensure all our milestones were achieved.

Working with these stakeholders reminds me of an orchestra – for it to produce a beautiful symphony, the musicians must be ready to give their all for a common purpose. All the stakeholders involved in this process came together like an accomplished symphony orchestra, from the FMDA, who placed the challenge before its Board of Trustees which I chair, to my colleagues on the Bankers' Committee, particularly the CBN Governor and Deputy Governors, who recognised the importance of this project to the larger society and gave it the backing necessary to win the support of other government bodies.

In FDHL-MT, we had the right type of consulting support for the initiative and they did a fantastic job coordinating the whole process and working closely with the FMDA secretariat on the licencing of FMDQ. By the time we approached SEC for our licence, FMDQ had been incorporated as a stand-alone entity with an inaugural Board of accomplished professionals. My colleagues and I on the Board made a strong case to the SEC regarding our qualifications for a licence as an SRO. The SEC, led by its Director-General, scrutinised us very closely whilst at the same time extending its cooperation and understanding. It was clear to me that in everybody's minds, this goal of establishing an SRO for our money market would be of great benefit to Nigeria.

Although things moved slowly at times and we may have lagged behind on our timetable, we maintained a high level of excellence in everything we did.

Anticipating SEC's imminent approval, we began our search in earnest for a CEO. It was not easy, but we eventually got Bola Onadele. Koko on board and the rest is history.

Certainly, every orchestra needs a conductor but FMDQ is not a story of a single conductor. The powerful take away for me is that at every point when a conductor was required to direct the orchestra (whether as Chairman, MD/CEO, FMDA President, CBN Governor or SEC DG), that conductor gave it his or her very best. We had excellent conductors, we had an excellent orchestra and that is why we are celebrating an excellent result today. Yet, I am mindful that there is a lot more to be done in order for FMDQ to fulfil its mission of empowering our financial markets to be innovative and credible, and to do this, FMDQ must continue to stimulate the spirit of collaboration amongst its stakeholders.

I look back with fulfilment at the tremendous work and achievements of those that have been part of the FMDQ journey over the last few years and look forward with excitement as FMDQ continues to champion change in the Nigerian economy by promoting the growth of financial markets within the nation and beyond.



Mr. Aigboje Aig-Imoukhuede, CON
Chairman, FMDQ OTC PLC
July 2014

Abbreviations

ASCE	<i>Abuja Securities and Commodity Exchange</i>
ACTN	<i>Association of Corporate Treasurers of Nigeria</i>
BOT	<i>Board of Trustees</i>
CEO	<i>Chief Executive Officer</i>
CP	<i>Commercial Paper</i>
CBN	<i>Central Bank of Nigeria</i>
DMB	<i>Deposit Money Bank</i>
DMO	<i>Debt Management Office</i>
FGN	<i>Federal Government of Nigeria</i>
FMAN	<i>Fund Managers Association of Nigeria</i>
FMD	<i>Financial Markets Department</i>
FMDA	<i>Financial Markets Dealers Association</i>
FX	<i>Foreign Exchange</i>
FSS	<i>Financial System Strategy</i>
IOSCO	<i>International Organisation of Securities Commissions</i>
ISA	<i>The Investment and Securities Act</i>
MD	<i>Managing Director</i>
MMAN	<i>Money Market Association of Nigeria</i>
NAICOM	<i>National Insurance Commission</i>
NASD	<i>National Association of Securities Dealers</i>
NBS	<i>National Bureau of Statistics</i>
NCX	<i>Nigeria Commodities Exchange</i>
NDIC	<i>Nigeria Deposit Insurance Corporation</i>
NIBOR	<i>Nigerian Inter-Bank Offered Rate</i>
NSE	<i>The Nigerian Stock Exchange</i>
OTC	<i>Over-The-Counter</i>
PenCom	<i>National Pension Commission</i>
Repo	<i>Repurchase Agreement</i>
SEC	<i>Securities and Exchange Commission</i>
SRO	<i>Self-Regulatory Organisation</i>
STP	<i>Straight-Through-Processing</i>

Chapter One

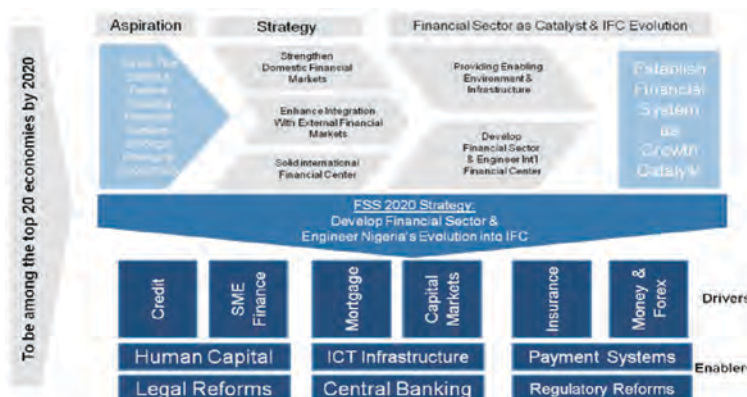
A Financial Markets Catalyst
For Economic Growth



FMDQ OTC PLC (FMDQ) is a Securities and Exchange Commission (SEC) licenced over-the-counter (OTC) market securities exchange, with primary focus on its members' markets – money, repo, foreign exchange, treasury bills and bond.

The development of the Nigerian financial markets (capital, money and foreign exchange) is central to the Financial System Strategy (FSS) 2020 program. This is because the financial markets serve as both resource-mobilisation and monetary policy vehicles and are therefore essential to economic growth and stability.

FINANCIAL SECTOR REFORM - THE FSS 2020 BLUEPRINT



Source: FSS 2020 Secretariat

However, over the years, the pace of development of the Nigerian financial markets has not kept up with international reforms and the rates of growth of trade volume, product development, practices etc. have fallen short of what is required to achieve FSS 2020 aspirations. This is due to the fact that proper operation, regulation and supervision are required in order for the financial markets to function optimally for the benefit of the larger economy.

Indeed, international reforms, following the financial markets crises of 2008, have meant that OTC markets are now being expected to embrace standards to increase formalisation, standardisation and transparency of transactions.

Coordination of policies/regulations, supervision and development of the financial markets under FMDQ's purview (including its operators and participants) have been complicated by the fact that the financial markets cut across the jurisdiction of the Central Bank of Nigeria (CBN), the Securities and Exchange Commission (SEC) etc. The primary and secondary markets in the capital market are regulated by SEC, with the exclusion of the Federal Government of Nigeria (FGN) bonds primary market. The primary markets for money market products are regulated by the CBN. The secondary markets for treasury bills, foreign exchange and money are not strictly regulated (and have been loosely organised by the traders' association i.e. Financial Markets Dealers Association - FMDA), although the CBN's economic management philosophy could potentially impact the market.

NIGERIA INTER-BANK MARKET SNAPSHOT

Product	Regulator	Practice	Trading Counterparty	Trading Platform	2012 Statistics (Inter-bank)	
					Outstanding NGN bn	Turnover NGNtr
Sovereign Bond FGN	DMO/ CBN/ SEC	2-WQ	PDs/MMs	Reuters/ICAP	4,0761.16	7.3
Eurodollar (US\$500.00mm)	DMO			Reuters/ICAP	77.91	N/A
Agency Bond AMCON	*DMO/ CBN/ SEC	Negotiated	DMBs	Telephone	4,743.68	N/A
	*DMOCBNSEC	Negotiated	DMBs	Telephone	33.00	N/A
	*DMO/ SEC	Negotiated	DMBs	Telephone	372.70	N/A
State Bond	*DMO/ SEC	Negotiated	DMBs	Telephone	498.00	N/A
Corporate Bond Domestic	SEC	Negotiated	DMBs	Telephone	158.53	N/A
Eurodollar (US\$850.00mm)**	SEC	Negotiated	DMBs	Reuters	132.44**	N/A
Treasury Bill (including DMO)	CBN/ DMO	2-WQ	MMDs	Reuters/ICAP	4,584.90	14.7
Commercial Paper	CBN	Negotiated	DMBs	Telephone	1.75	N/A
Bankers' Acceptance	CBN	Negotiated	DMBs	Telephone	21.55	N/A
Money market (unsecured)	CBN	Negotiated	DMBs	Telephone	N/A	37.7
REPO	CBN	Negotiated	DMBs	Telephone	1,601.56	N/A
Open Buyback	CBN	Negotiated	DMBs	Telephone	N/A	3.42
FX- Interbank/ Autonomous	CBN	2-WQ	DMBs	Reuters	N/A	N/A
Derivatives FX	CBN	2-WQ	ADs	Reuters	N/A	N/A
Derivatives Interest rate	CBN	Negotiated	DMBs	Telephone	N/A	N/A

Note:

AMCON – Asset Management Corporation of Nigeria, DMBs – Deposit Money Banks, FIs – Financial Institutions, FIMM s– Fixed Income Market Makers, FMNB – Federal Mortgage Bank of Nigeria, ICAP – Internet Content Adaption Protocol, LCRM – Local Contractors Receivables Management, Limited.,

MMDs – Money Market Dealers, N/A – Not Available, PDs – Primary Dealers, bn – billion, mm – million.

Exchange Rate – USD/₦155.81

Investors and End Users not considered

Legend & Source:

Half Year 2012, CBN Economic Report –H1, 2012 Not Applicable

Financial Markets Department – Activity Report 2011 * DMO – supervisory role

** Eurodollar (GTB & Access Bank)

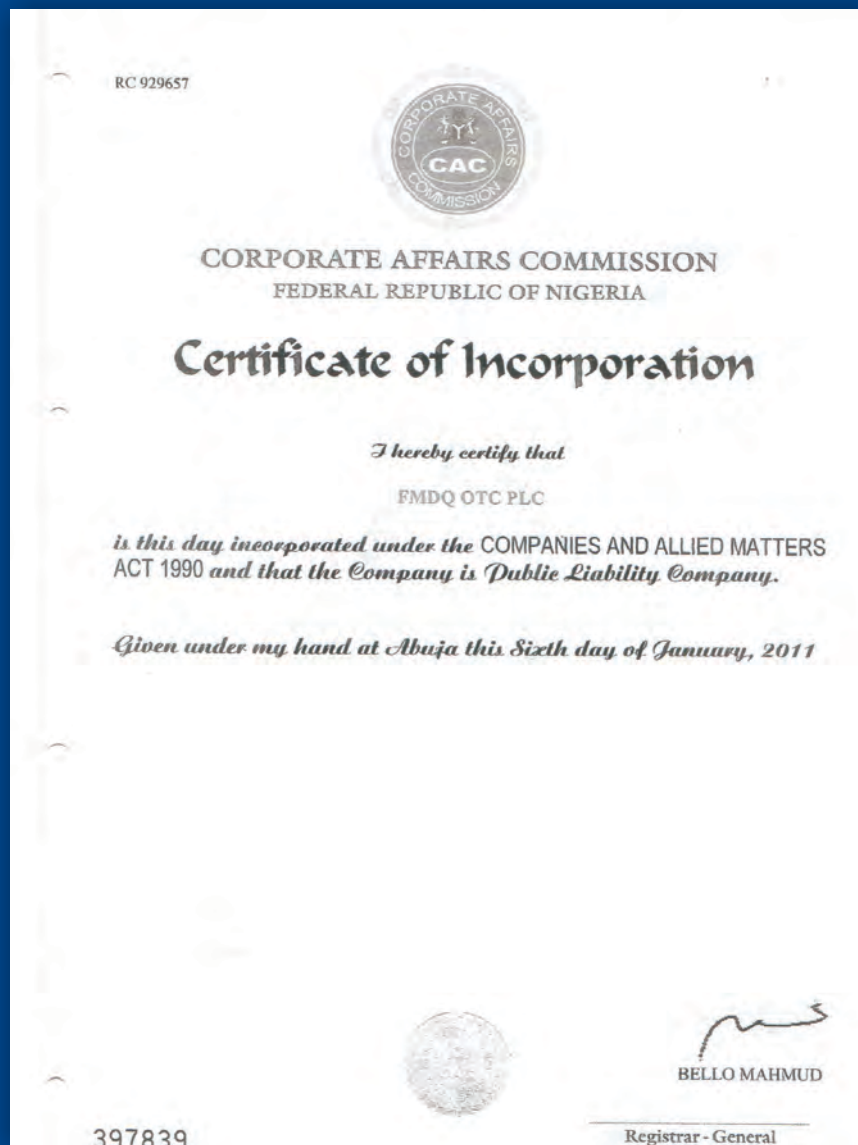
Source: FDHL - MT

It is in this context that the idea of FMDQ was first conceived to give greater focus to efforts to organise, govern and develop the already existing inter-bank OTC markets in line with international best practices.

It may not have been clearly conceptualised as a securities exchange at the time. However, there was a passion and vision among the pioneers to develop and grow the financial markets beyond the ordinary. That passion and vision were the lightening rod.

Chapter Two

Partnering For Change



Although it received its licence on November 6, 2012, FMDQ is the result of a process that began in 2009, if not before. Over the years, many parties played important roles in the establishment of FMDQ, as it is known today, and the acknowledgement of their contributions is probably worthy of a book of several volumes and not a few paragraphs.

An early pointer to the creation of an FMDQ-type organisation was FMDA's 2009 implementation of its strategic plan to expand and restructure the Association, and changing its name from Money Market Association of Nigeria (MMAN) to the FMDA.

A December 11, 2009 strategy session with FMDA members themed: *SEC-Registered OTC ...way to go*, was pivotal to the actualising of the FMDQ dream. Participants at the session included Akin Dawodu (then Treasurer, Citibank Nigeria Limited), Ini Ebong (then Head of Fixed Income and Securities, Renaissance Capital), Funso Olusanya (then Treasurer, former First Securities Discount House (FSDH) Limited), Tosin Oshunkoya (then Head of Bond Desk, Zenith Capital), Wale Abe (Executive Secretary, FMDA) and Patrick Ajunwoko (then Head, Training and Consultancy, FMDA). The session, facilitated by FDHL-MT's Bola Onadele. Koko, Malcolm Gilroy and Dr. Wura Abiola, elaborated on the design of the FMDQ concept for the Nigerian financial markets, reflecting the participants' in-depth understanding of peculiar realities and needs of the Nigerian market, as well as an acute level of awareness and adoption of international best practices.

The project to establish the regulated OTC market was formalised on January 8, 2010, when, as project sponsors, FMDA engaged the services of FDHL-MT (a financial services strategic collaboration of FDHL and Management Transformation Ltd.) as project consultants for the establishment of FMDQ. However, it was the presentation of this concept to the FMDA Board Of Trustees (BOT) by its Governing Council in February 2010, and the subsequent presentation to the Financial Markets Sub-Committee of the Bankers' Committee that led to the project being recommended for sponsorship to the Central Bank of Nigeria, and other members of the Bankers' Committee.



Mr. Akin Dawodu

The selection of FDHL-MT as project consultants by FMDA was largely informed by FDHL-MT's track record as a financial services strategic transformation firm. In 2010, FDHL-MT had articulated a financial markets roadmap for the CBN with a view to galvanizing the apex bank's financial markets franchise as a vehicle for monetary policy implementation. Their execution of this important mandate led to the activation of the Financial Markets Department (FMD) at the CBN.

One of the first tasks for the project team was the documentation of a robust business plan and implementation blueprint. Even in those early days, it was clear that technology would be central to the OTC market's operations and success. To this end, a series of technology review sessions were conducted. Notable among them was a session held in April 2010, facilitated by FDHL-MT's Bola Onadele. Koko, Malcom Gilroy, Cash Onadele and Dr. Wura Abiola and attended by Akin Dawodu, Sam Ocheho, Wale Abe, Ini Ebong, Tosin Oshunkoya and FMDA's IT Consultants, PM Global. Also in attendance was Dr. Gbolahan Elias of G. Elias & Co., the solicitors to the project. Major breakthroughs at the session were the need for and role of a data aggregator for the OTC market and the delineation of build or buy options for the pre and post-trade technology backbone.

Another task was the selection of a name for the securities exchange. The first attempt was “FMDA OTC” and then, in July 2010, Jack Delaney, then Treasury Resident Advisor, United States Department to the Ministry of Finance in Ghana, suggested that we style the name after NASDAQ. This gave birth to the Financial Markets Dealers Quotation OTC, with the idea that over time, with market awareness and acceptance, the name would be shortened to the acronyms FMDQ OTC and then simply FMDQ.

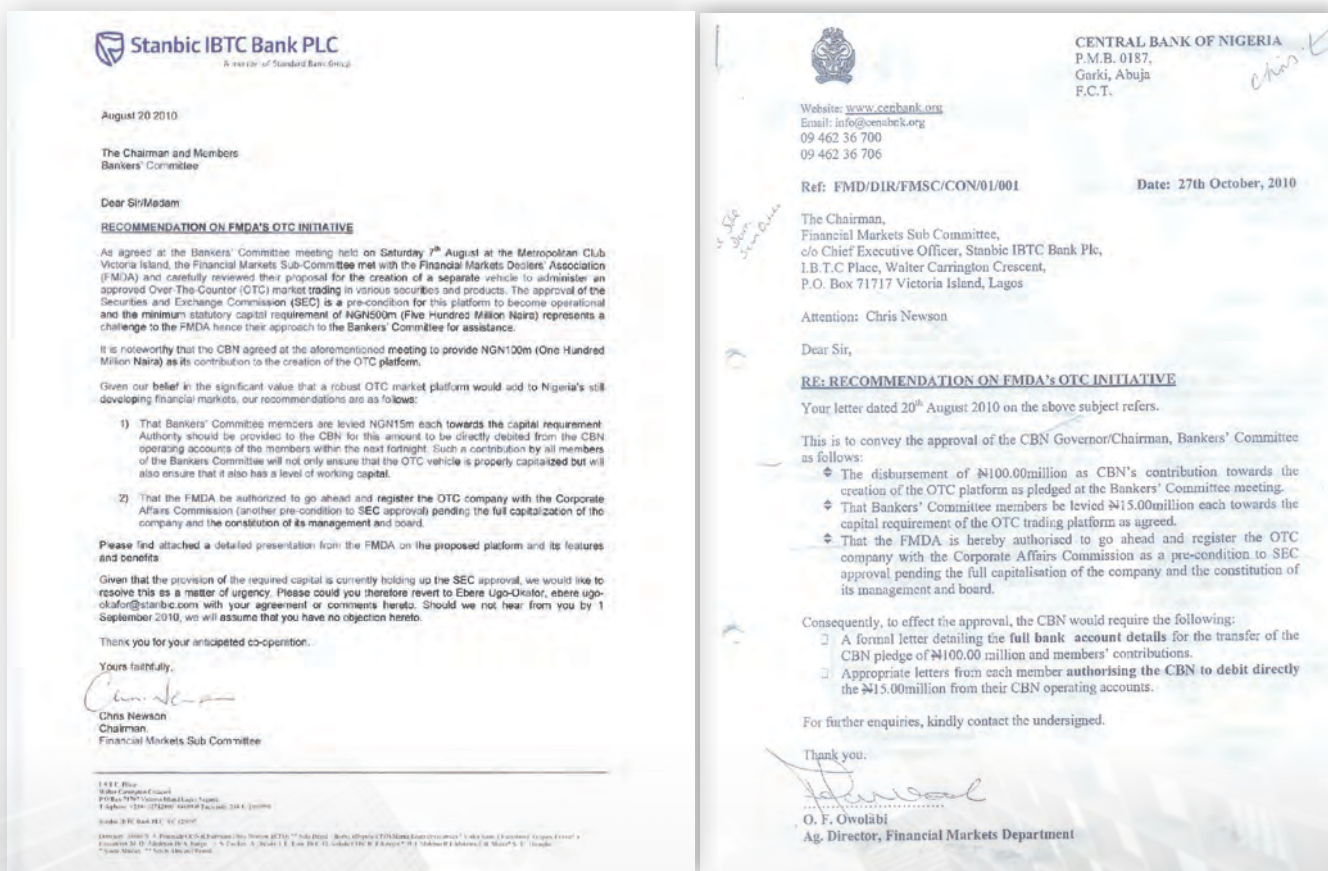
A major requirement for the creation of FMDQ was securing unequivocal support and approval of relevant stakeholders. A concerted series of advocacy meetings ensued, targeted at educating key stakeholders, including financial regulatory authorities, the SEC and CBN.

Several briefing meetings were conducted with the maiden Director of the Financial Markets Department of the CBN (Mr. Jide Owolabi), the Deputy Governor of the Economic Policy Directorate (Dr. (Mrs.) Sarah Alade, OON) and the then Governor (Mallam Sanusi Lamido Sanusi, CON) on the importance of the initiative and its congruency with the CBN Financial Markets mission “to deepen the Nigerian financial markets by ensuring they are global, organised, liquid, diversified and transparent”, coined GOLD at the time.

The FMDA worked closely with the Financial Markets Sub-Committee of the Bankers' Committee, first chaired by Mr. Chris Newson (former MD/CEO Stanbic IBTC Bank PLC) and later Mrs. Sola David-Borha (former MD/CEO Stanbic IBTC Bank PLC), to address banks' collective concerns. Individual banks also had specific reservations which were resolved over many conference calls and exchanges of letters.

The subsequent provision of funds by the CBN and existing banks and discount houses (all FMDA members) through levies for FMDQ's initial capital requirement and take-off, signalled the eventual buy-in of these stakeholders into the FMDQ dream. Given that the formal request for funding was made at the Bankers' Committee meeting on August 7, 2010, held at the Metropolitan Club in Lagos, the formal confirmation of funding by the Bankers' Committee via its Financial Markets Sub-Committee on August 20, 2010, was truly remarkable, both in terms of speed and magnitude. The CBN had agreed to provide ₦100 million as its contribution to the creation of the OTC platform while Bankers' Committee members had agreed to be levied ₦15 million each towards the capital requirement of FMDQ. It was a clear statement of shareholders' support going forward.

FMDQ ended up raising a total of ₦535 million, causing it to increase its authorised share capital which was effected by the law firm of G. Elias & Co. following resolutions passed at the Board meeting and FMDQ's first Annual General Meeting on October 4, 2013.



It is in recognition of the important role that will be played by FMDQ that the CBN provided the necessary support for its formation and assured its continued collaboration on strategic initiatives that will support global competitiveness.

In Nigeria, stock, commodity, metal, petroleum, options, futures exchanges and OTC markets are all classified as securities exchanges according to s.315 of the Investments & Securities Act, 2007 and registered by the SEC under The Investment & Securities Act (ISA) 2007 and SEC Rules and Regulations. Previously established securities exchanges are The Nigerian Stock Exchange (NSE) in 1960 and the Abuja Securities and Commodity Exchange (ASCE) (now the Nigeria Commodity Exchange) in 1998. Therefore, in order to operate across the full scope of the financial markets products already traded inter-bank, FMDQ required a licence by SEC to function as an OTC market in the capital market that would confer on FMDQ, the responsibilities of a securities exchange and a self-regulatory organisation (SRO) for the OTC market.

FMDQ therefore required SEC's approval for the establishment of an OTC financial markets self-regulatory organisation (besides the National Association of Securities Dealers (NASD) that had been granted approval in principle in March 2011). The onus was on FMDQ's sponsors to justify and convince the regulator of the need for another securities exchange for the OTC market.

The sponsors were emboldened by the statements in the Director-General, Ms. Arunma Oteh's press release in February 2010. In the section titled "The Roadmap for Rebuilding the Nigerian Capital Markets", Ms. Oteh's statement clearly emphasised, "first of all, we have to increase the depth, breadth and sophistication of the market." At the request of the Director-General, and with the support of Mr. Sam Ocheho and Ms. Yewande Sadiku, both of Stanbic IBTC Bank PLC, a pivotal meeting in the bid to secure the buy-in of the SEC was held in Abuja on March 31, 2010, where for the first time, FMDQ's value proposition to the Nigerian economy and its 5-year vision for the OTC platform were shared with Ms. Oteh and her team. In the ensuing discussions that lasted over an hour, Ms. Oteh directed very pointed questions at Mr. Akin Dawodu (then FMDA President) and Dr. Wura Abiola (Managing Director, FDHL-MT – consultants to the project), mostly on the justification for another OTC securities exchange and the ability of such an exchange to self-regulate its members. FMDQ's initial application for registration was filed with SEC on April 18, 2011. However, FMDQ's registration process was not without hiccups. The expectation that SEC would grant FMDQ approval-in-principle while it finalised all the detailed requirements were dashed early on in the process as SEC generated a lengthy exception letter requiring FMDQ

¹ A Roadmap for Transforming the Nigerian Capital Markets – Press Briefing by the Director - General Securities and Exchange Commission; 5 February, 2010

to return to the drawing board in its packaging of the application documentation.

To fulfil an important part of the extensive licence application requirements, a rigorous process of identifying qualified sponsored individuals to be presented for the approval of SEC was embarked upon, resulting in the selection of three sponsored individuals to drive the establishment of FMDQ. They were Mr. John (Jack) Delaney (then MD/COO and Director on FMDQ's Board), Ms. Omoboye Odu (then Business Development Manager) and Ms. Onyinnye-Victoria Chukwu (then Compliance Officer).

As a necessary step for the final stage of its SEC registration, the FMDA Governing Council proposed to its BOT that members of the FMDA BOT, who were also members of the Bankers' Committee, be constituted to form FMDQ's inaugural Board. This proposal was granted. FMDQ held its first board meeting on February 20, 2012 and on February 23, 2012, FMDQ's Board appointed Messrs. Aigboje Aig-Imoukhuede, CON as Chairman, Jibril Aku as Vice Chairman and Wale Abe as Company Secretary.

In parallel to the registration process and responding to indications of SEC's desire to see the two initiatives come together (in line with international trends where markets were combining), FMDQ's representatives held several meetings with NASD, to explore opportunities for collaboration. FMDA received a formal letter introducing the NASD platform on February 12, 2010, authored by BGL PLC. Akin Dawodu was charged with the task of holding exploratory meetings on behalf of FMDQ with NASD's Messrs. Bolaji Balogun and Bola Ajomale from time to time, until mid-2012 when FMDQ decided to continue with the pursuit of its licence.



SEC TOWER, Plot 272 Samuel Adesoji Ademilagun Street, Central Business District, P.M.B 3115, Garki I - Abuja, Nigeria.
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e-mail: sec@sec.gov.ng web: www.sec.gov.ng

SEC/RRIE/FR/FMDQ OTC PLC/VOL.1/2012/1648

November 12, 2012

The Managing Director
FMDQ OTC PLC
1398B, Tiamiyu Savage Street
Victoria Island
Lagos

Dear Sir,

REGISTRATION AS OVER-THE-COUNTER MARKET

We refer to your application for registration and subsequent interview held on December 7, 2011 and November 6, 2012 with the Registration Committee of the Commission.

In the exercise of the powers conferred on it by the Investments & Securities Act (ISA) No. 29 of 2007 and the Rules and Regulations made there-under, the Commission has granted your Company registration to perform the function of **Over-the-Counter Market** in the Capital Market with effect from Tuesday, November 6, 2012.

The following are your Company's Sponsored Individuals:

Name	Type of Registration
1. Mr. John James Delaney	- MD/COO
2. Miss Omoboye Odu	- Manager
3. Miss Chukwu Onyinnye Victoria	- Compliance Officer

By virtue of this registration, you are authorised to perform the function for which you are registered subject to the following conditions that:

- The Commission shall be informed promptly of any material change(s) in the information supplied to the Commission at the time of this registration or subsequent to such registration;
- You keep proper records and render returns as may from time to time be prescribed by the Commission;
- You submit to the Commission a copy of the updated annual Fidelity Insurance Bond/Professional Indemnity Insurance Policy of your Company;
- You conduct all securities transactions with due professional care and diligence;
- That amendments to its Rules on expulsion, suspension or discipline of members for conduct or procedure should always be forwarded to the Commission for approval;
- The registered individuals serving your Company at any given time should be a minimum of three (3) including Compliance officer;
- That your sponsored individuals would provide evidence of attendance of capital market related courses;
- You comply with the provisions of the Investments and Securities Act (ISA) No. 29 of 2007, the Rules and Regulations of the Commission and all other laws governing operations within the Nigerian Capital Market;
- The Company to confirm to the Commission the deployment of its operational facilities in its trading floor.

A certificate evidencing full registration will be issued to you upon confirmation by the Board of the Commission.

Please note that **Mr. Erhabor Anthony Eferetin (Chief Strategy Officer)** that resigned from your Company should be replaced within three (3) months from the date of this letter.

Yours faithfully,

Moses Isiaku
Director, RRIE

FOR: DIRECTOR-GENERAL

The NSE (also a securities exchange), recognising the need for an FMDQ-type organisation and appreciating its potential to complement its role in the Nigerian financial markets landscape, equally threw its hat into the ring. Following due diligence, extensive negotiations and valuation of FMDQ between June and August of 2012, the NSE acquired a stake in FMDQ through its wholly owned subsidiary, NSE Consult Limited on September 26, 2012.

The inaugural Board was invited to a licencing meeting in Abuja by SEC on November 6, 2012. Having satisfied all regulatory requirements, the 2011 application for FMDQ's registration filed with SEC was approved and FMDQ was registered to function as a securities exchange to provide oversight on the OTC market in Nigeria on November 6, 2012.

Following its successful registration, the Board, identifying the need to ensure the timely take-off of operations, held a Board strategy retreat on March 8, 2013 at Southern Sun Hotel, Ikoyi.

The expectations of its stakeholders were subsequently articulated as follows:

- a. A self-sustaining organisation (profitable)
- b. World-class aspiration to be achieved over the medium term (including STP)
- c. Core functions are creating market rules and trade execution (matching)
- d. "Light touch" approach to SRO function, subject to effective management of SEC expectations
- e. Focus on DMB-to-DMB transactions and expand in the medium term
- f. Capture of all trades by members (zero leakages)
- g. Complete aggregation of transactions and data
- h. Leverage Market Power (based on economies of scale) to achieve cost effectiveness

At the retreat, it was also agreed that FMDQ's potential business segments will span the following areas:

- **Market Governance & Compliance:** maintaining market confidence, credibility and integrity through documentation, surveillance and enforcement of market rules
- **Market Development:** ensuring market efficiency and liquidity by driving product innovation and institutionalising robust market architecture (trade execution, trade data repository, STP, clearing, market interventions, risk management etc.)
- **Data & Information Services:** developing databases of OTC market data and information to position FMDQ as the market information repository, servicing the needs of the regulators, operators, investors and numerous other local and international stakeholders

Another major decision reached at the retreat was the urgent need to engage a Chief Executive Officer (CEO). The Board therefore engaged the services of KPMG Professional Services to project manage the recruitment exercise to identify and hire a suitable talent to drive this institution. This search was not without its challenges, considering the esoteric nature of FMDQ. It was small wonder that this prolonged search ended at FDHL-MT, with the engagement of its president, Bola Onadele. Koko, as the pioneer MD/CEO of FMDQ on June 13, 2013.

Chapter Three

The GOLD Foundation

BUSINESSDAY: www.businessdayonline.com

Thursday 31 October 2013

By DEYANTU NWACHUKWU

Financial markets are organised as either 'an exchange or over-the-counter'. In light of increasing innovations in the market, the line between both is getting blurrier. With the emerging markets witnessing great development in OTC market, regulators in Nigerian financial markets - the Central Bank of Nigeria (CBN) and Securities and Exchange Commission (SEC) have shown support for initiatives to organise the markets.

In Nigeria today, the SEC has licensed two OTC firms - the FMDQ OTC which has platform for capital and FX/Money market, while the NASD OTC platform focuses on capital.

FMDQ evolved from the Financial Market Dealers Association (FMDA), formerly Money Market Association of Nigeria (MMA), which was founded in 1976 and was re-registered in 1989. The Association of the Interbank Discount Houses in Nigeria (AIDHN) OTC plc was founded on January 1, 2013. On November 6, 2013, the CBN and

For FMDQ OTC plc... there is a 'GOLD' agenda



Bola Onadele, MD/CEO, FMDQ OTC plc



Anurima Odeh, DG, SEC

standards; dissemination of information - pre-trade, trade and post-trade data to promote transparency; general market information - products, research and analytics.

The inter-bank OTC market is presently served by telephones. Thomson Reuters and an interdealer broker is the provider. This impacts the extent to which a market organiser can extract market information for proper market governance, risk management, among other market related issues.

"The existing interbank OTC fixed income and currency markets: money, repo, open-buy-back, commercial paper, treasury bills, FGN bonds, and FX will be accorded stronger governance to improve market liquidity and credibility," Onadele said, ahead of next week's launch of this platform, adding "FMDQ will integrate the inter-bank and traditional capital market operators. We intend to be globally relevant."

Owned by 25 banks and discount houses, CBN, FMDA, The Nigerian Stock Exchange (through NASC Capital Limited), FMDQ OTC plc will be addressing the needs of stakeholders in OTC market through its GOLD agenda. The GOLD agenda

When launched a week ago, This year, the CBN started strengthened by members FMDQ

a. The GOLD Agenda

In line with its vision to be the most effective Central Bank financial markets franchise in Africa, the CBN in 2010, crafted its GOLD mission to deepen the Nigerian financial markets by ensuring they are global, organised, liquid, diversified and transparent. FMDQ adopted the spirit of this initiative as it encapsulated its value proposition as GOLD i.e. global competitiveness, operational excellence, liquidity and diversity.

In performing its role, FMDQ will collaborate with the CBN, SEC, DMO, the National Insurance Commission (NAICOM), the Nigeria Deposit Insurance Corporation (NDIC), the National Bureau of Statistics (NBS) and the National Pension Commission (PenCom) in driving the development of initiatives that will deepen Nigeria's financial market, giving it international relevance.

b. A Board and Its Mandate

Beyond the need to satisfy the SEC registration requirements, it was important that distinguished professionals with requisite expertise were appointed to steer the course of FMDQ, stabilise its operations, establish its structures and hand over to a new Board leadership that will further the FMDQ mission.

The role of the inaugural Board members was a delicate one and critical to the growth of the securities exchange. It did not come as a surprise therefore, when in February 2012, FMDQ named a 13-man inaugural Board of Directors, comprising credible financial markets experienced professionals. They were strategically selected to give broad, yet specialised representation, considering FMDQ's twin-responsibility as a securities exchange and an SRO. Consideration for the selection of Board members included depth of experience in the financial markets and diversity of representation to cover deposit money banking, investment banking, and pension fund administration, as well as regulator perspectives. This selection range was again strategic. In August 2013, the Board expanded its composition to 14, through the inclusion of the chair of the Financial Markets Sub-Committee of the Banker's Committee.



The enlarged board of FMDQ as at August 5, 2013 can be categorised as follows:

- a. Sponsors—being the BOT members with consummate financial markets knowledge
- b. Investment banks – these stakeholders represent the investor segment of the market that may not be covered by the promoters
- c. Pension Fund Administrators - who are the biggest investors in the debt market, consequently further encouraging the buy-in of the investor base
- d. The NSE –being the oldest exchange in the country with institutional knowledge on the SRO function
- e. Independent – in line with corporate governance best practice. An ex-regulator was considered in this instance to bring the required balance and additional credibility to the Board



Mr. Aigboje Aig-Imoukhuede, CON



Mr. Jibril Aku



Mrs. Bola Adesola



Mr. Emeka Onwuka



Mr. Oscar N. Onyema



Mr. Muhammad Nda



Mr. Yinka Sanni



Mr. Laoye Jayeola



Mr. Demola Sogunle



Mr. Akinsowon Dawodu



Mr. Sola Adegbesan



Mr. Bola Onadele. Koko

In the months that followed the launch of FMDQ, the Board remained relentless in its commitment to direct the undertakings of the securities exchange and under its guidance, FMDQ attained significant milestones. Indeed, it is worthy of note that this Board, in a short period, was able to translate to reality, the FMDQ dream and see through the process of creating Nigeria's fourth but biggest securities exchange and SRO of local and international acclaim. It is certainly no news that today, FMDQ is acknowledged as that institution that will bring transparency, discipline, stability and progress to the OTC financial markets.

What remains indelible is that the Board has been able to create an institution that will outlive it. It has birthed a securities exchange founded by passion, driven by excellence and built for the future.

c. Berthing the Dream

FMDQ was formally launched on November 7, 2013, in a ceremony held at the Muson Centre, Onikan, Lagos. It was preceded by a pre-launch press conference on October 29, 2013.

In attendance at the launch event were the then Governor of the CBN, Mallam Sanusi Lamido Sanusi, CON, who delivered the keynote address, the Director-General of the SEC, Ms Arunma Oteh, who unveiled the FMDQ logo, the Director-General of the DMO, Dr. Abraham Nwankwo, the CEO of the NSE, Mr. Oscar N. Onyema, as well as managing directors and treasurers of banks and other distinguished guests from Nigeria and abroad. The presence of so many high-level and notable personalities in the field of finance at the launch, brought into sharp focus the importance of the institution.

FMDQ BOARDROOM

The Official Launch of FMDQ OTC PLC



L-R: Mallam Sanusi Lamido Sanusi, CON, Governor, Central Bank of Nigeria (CBN); Mr. Aigboje Aig-Imoukhuede, CON, Chairman, Board of Directors, FMDQ OTC PLC; Ms. Arunma Oteh, OON, DG, Securities and Exchange Commission (SEC)



L-R: Ms. Patience Oniha, Director, Market Development Department, DMO; Dr. Abraham Nwankwo, DG, DMO; Dr. Demola Sogunle, CEO, Stanbic IBTC Pension Managers Ltd. and Director, FMDQ OTC PLC



Ms. Arunma Oteh, OON, DG, SEC, formally launching the FMDQ Codified Rule Book during the event



L-R: Mr. Bola Onadele, Koko, MD/CEO, FMDQ OTC PLC; Mr. Oscar N. Onyema, CEO, The Nigerian Stock Exchange (NSE) and Director, FMDQ OTC PLC



L-R: Mr. Fola Adeola, OFR, Founder and Former MD, Guaranty Trust Bank PLC and Chairman, Fate Foundation; Mr. Aigboje Aig-Imoukhuede, CON, GMD/CEO of Access Bank PLC and Chairman, Board of Directors, FMDQ OTC PLC



L-R: Alhaji Suleiman Barau, OON, Deputy Governor, Corporate Services, CBN and Mr. Jibril Aku, MD/CEO, Ecobank Nigeria Ltd. and Vice-Chairman, Board of Directors, FMDQ OTC PLC



L-R: Mr. Laoye Jaiyeola, MD/CEO, Kakawa Discount House Ltd. and Director, FMDQ OTC PLC; Mrs. Bola Adesola, MD/CEO, Standard Chartered Bank Nigeria Ltd. and Director, FMDQ OTC PLC



L-R: Mr. Emeka Onwuka, Member, Board of Trustees of FMDA and Director, FMDQ OTC PLC and Mr. Yinka Sanni, CEO, Stanbic IBTC Bank PLC and Director, FMDQ OTC PLC



L-R: Mr. Ugo Okoroafor, Director of Communications, CBN; Mr. Emmanuel Ukeje, Director, Financial Markets Department, CBN; Alhaji Muhammad Nda, Director, FMDQ OTC PLC



L-R: Dr. (Mrs.) Sarah Alade, Deputy-Governor, Economic Policy Directorate, CBN; Ms. Patience Oniha, Director, Market Development Department, DMO



L-R: Mr. Akin Dawodu, Past President, Financial Markets Dealers Association (FMDA) and Director, FMDQ OTC PLC; Mr. Sola Adegbesan, President, FMDA and Director, FMDQ OTC PLC



Dr. Wura Abiola, Managing Director, FDHL-MT Ltd.



L-R: Mr. Andrew Moreton, Head Fixed Income Trading Sales, Bloomberg EMEA; Mr. Stefanos Thomatos, Regional Manager, Bloomberg EMEA; Mr. Jack Delaney, Chief Operating Officer, FMDQ OTC PLC



L-R: Mr. Ayo Babatundé, Treasurer, Ecobank Nigeria Ltd. and Member, Governing Council, FMDA; Mr. Tunde Kuponiyi, Ecobank Nigeria Ltd.; Mr. Ini Ebong, Treasurer, First Bank Nigeria Ltd. and Member, Governing Council, FMDA



L-R: Mr. Rudi Gibbs and other representatives of ICAP

Mr. Aigboje Aig-Imoukhuede, CON, the Chairman, FMDQ, in his welcome address, affirmed that though FMDQ was not the first securities exchange and SRO in Nigeria, it satisfied the long yearning of stakeholders in the Nigerian financial system for the establishment of a credible and trusted SRO to fill the current gaps in the Nigerian financial markets.

In his keynote address, Mallam Sanusi Lamido Sanusi, CON, while confirming the CBN's support of FMDQ, highlighted that the importance of FMDQ was “anchored on the complementary role of bringing the activities of the financial securities transactions outside of the official window under the regulatory purview”. Ms. Oteh, in her address, lauded the FMDQ initiative, especially with regards to risk management. In her words, “in addition to innovation, efficiency and transparency, this is an organisation that understands the importance of risk management”. Similarly, Dr. Abraham Nwankwo emphasised the DMO's support of FMDQ with the expectation that FMDQ would optimally perform its role as “gap filler” in the Nigerian financial markets.

Mr. Bola Onadele. Koko, the MD/CEO of FMDQ, capped the day with assurances that FMDQ was strategically positioned and committed to strengthening the domestic financial markets and enhancing integration with international markets in line with its vision 'to be the most liquid, efficient, secure and technology-driven OTC market in Africa by 2018'.

Significantly, a major highlight of the day was Mr. Onadele's exposé on the FMDQ GOLD Agenda, an implementation of which would in line with its vision, ensure:

- Availability of skilled personnel
- Swift and efficient settlement
- Conducive regulatory environment
- Liquid financial markets – money, repo, FX, treasury bills, bond and derivatives
- Access to other financial markets
- Accessibility by other financial markets
- Fair business environment

There is no gainsaying that the expectations of stakeholders were driven notches higher in varying degrees and directions after this special event.

Notably, the launch of the FMDQ Daily Quotations List and the pilot version of the FMDQ FGN Bond Index on the same day, were clear indicators of FMDQ's resolve to transform the Nigerian OTC financial markets.



Chapter Four

Gaining Momentum

FMDQ DEALING MEMBERS' TREASURERS AT THE FMDQ LICENCING CEREMONY



Success for FMDQ is not measured in terms of profit but in terms of impact. Remarkably and true to its promises, it has within the first year of its existence, clearly impacted and altered for good, the Nigerian OTC market, particularly in the areas of Market Governance & Compliance, Market Development and Data & Information which are its focal areas.

2014 OTC MARKET TURNOVER REPORT (₦ 'mm)

	January	February	March	April	May	June	YTD
Foreign Exchange	2,260,446	2,791,496	2,097,156	1,963,030	2,447,925	2,005,126	13,565,178
Treasury Bills	2,024,245	2,039,546	1,651,222	2,341,818	2,492,599	1,784,908	12,334,338
FGN Bonds	670,532	588,215	482,401	393,687	745,562	481,435	3,361,831
Other Bonds	410			8,156	42,516	86,805	137,886
Repurchase Agreements/Buy-Backs	987,754	2,880,907	3,249,867	1,135,315	1,385,822	1,045,039	10,684,704
Unsecured Placements/Takings	748,758	309,985	542,791	499,193	388,728	139,093	2,628,547
	6,692,145	8,610,148	8,023,437	6,341,198	7,503,152	5,542,405	42,712,485
USD equivalent ('mm)	41,826	53,813	50,146	39,632	46,895	34,640	266,953

No. of Business Days	22	20	21	20	20	21	124
Average Daily Turnover	304,188	430,507	382,068	317,060	375,158	263,924	344,456
USD equivalent ('mm)	1,901	2,691	2,388	1,982	2,345	1,650	2,153

*Markets Now Growing
in Leaps and Bounds*

YTD - Year To Date
mm - million; USD/₦ @ 160

Source: FMDQ Data Portal as @ July 12, 2014; Figures reported by Dealing Members on a week ending basis
* Figures may be subject to change due to potential adjustments from Dealing Members to the data originally reported

Market Governance & Compliance

In terms of market governance and compliance, FMDQ reached a significant milestone on May 21, 2014, with the licencing of its first batch of Dealing Members in an event that was well attended by the members (banks and discount houses), regulators and the media alike. The joy on the part of the regulators could barely be hidden as they attested to the positive impact of the event on their surveillance and supervision roles.

FMDQ, on July 14, 2014, commenced its reform in the architecture of market operators with the issuance of a Market Bulletin on brokerage services.

S/N	MILESTONES	DATE
1.	Confirmation of 24 DMBs as Dealing Members and assignment of right to data to FMDQ	September 11, 2013
2.	Training workshop on the surveillance function of the FMDQ Bloomberg E-Bond trading system with CBN, DMO and SEC	February 25, 2014
3.	FMDQ Dealing Members' licencing event	May 21, 2014
4.	Licencing of first Associate Member (Inter-Dealer Broker)	July 2, 2014
5.	Installation of FMDQ Thomson Reuters Market Tracker for FX market surveillance	July 7, 2014
6.	Licencing of first Associate Member (Broker)	July 21, 2014
7.	Engagement of Dunn Loren Merrifield (DLM) Advisory Partners as technical partner in the drafting of listing and quotation rules for asset-backed securities and mortgage-backed securities	July 23, 2014

Market Development

FMDQ and Bloomberg launched the FMDQ Bloomberg E-Bond trading and market surveillance system (E-Bond), an electronic trading system for Nigerian fixed income securities. After a rigorous implementation program managed by FMDQ, the Dealing Members and the regulators (CBN and DMO) were all connected on E-Bond and the system went live on March 17, 2014. The E-Bond system is designed to provide a complete and consolidated marketplace for Nigerian fixed income securities, offering market operators and participants a robust and flexible set of tools which supports the full trade workflow. These include the pre-trade price discovery and analytical tools, the ability to handle both multi-dealer request-for-quote (RFQ) and order trading, an STP functionality, and an integrated trade capture and reporting tool.

Importantly, global investors and market oversight entities, such as FMDQ, CBN, SEC and DMO, can now review market activity in real time with access to live pricing data and the ability to audit transactions as they occur.

FMDQ, in April 2014, launched the reformed Nigerian Inter-Bank Offered Rate (NIBOR) in compliance with the principles of financial benchmarks of the International Organisation of Securities Commissions (IOSCO). This reform was centred on enhancing the NIBOR process towards strengthening its credibility as a money market benchmark.

Also, in order to revive the commercial paper (CP) market, FMDQ and the treasurers have developed a draft quotation process that will usher transparency and investor confidence to the CP market. The CP market will add value to working capital management for corporate treasurers and provide an alternative asset class to the fund managers.

S/N	MILESTONES	DATE
1.	Buy-side market participants (ACTN, PenOp and FMAN) meeting	December 13, 2013
2.	FMDQ Bloomberg E-Bond trading system launched	March 17, 2014
3.	1 st FMDQ Market Development Stakeholders' Initiatives interactive session	March 20, 2014
4.	FMDQ portal for electronic trade data collection launched and Market Activity Report published	April 14, 2014
5.	Reformed NIBOR launched	April 23, 2014
6.	Commencement of NIBOR submission by reference institutions on the FMDQ portal	May 8, 2014
7.	Launch of FMDQ's Market Bulletin segment	June 13, 2014
8.	Activation of FMDQ Workgroups	June 23, 2014
9.	2 nd FMDQ Market Development Stakeholders' Initiatives interactive session	July 3, 2014

Data & Information Services

FMDQ launched its Daily Quotations List (DQL), which highlights prices of all fixed income securities in the Nigerian OTC markets. This, being the first of its kind, immediately brought immense transparency and its accompanying liquidity. Also, on January 2, 2014, the Nigerian financial markets woke to the first independent index for the Nigerian fixed income market – the FMDQ FGN Bond Index - which provides fund managers and investors alike with a credible market benchmark for their portfolios.

S/N	MILESTONES	DATE
1.	Publication of FMDQ DQL	November 7, 2013
2.	Publication of FMDQ FGN Bond Index on FMDQ website	January 2, 2014
3.	Commencement of publication of Daily Market Activity Report on FMDQ website	April 4, 2014
4.	Training of Dealing Members and Operations Officers on data submission on FMDQ portal	May 2, 2014

These milestones are also a testament to the collaborative working relationships between FMDQ and its stakeholders.

FMDQ was invited to deliver a presentation at the Bankers' Committee retreat in Calabar in December 2013, which resulted in the formation of the CBN-FMDQ GOLD OTC Markets Committee with the purpose of developing the CBN-FMDQ GOLD OTC Markets Transformation Plan, taking into full cognizance FMDQ's short, medium and long-term plans. The committee met on December 18 and 19, 2013 in Abuja with representation from 8 CBN departments at a workshop facilitated by FDHL-MT (this time, as CBN consultants). The CBN's FMD served as both secretariat and chair of the committee. The draft report of the committee was submitted on December 31, 2013.

FMDQ has also made huge progress internally by cultivating a corporate culture of excellence, which is being reinforced through its systems and processes. From governance, to the performance culture of its people, and to their modus operandi on the job, there is no denying that excellence has found a home in FMDQ - not just for the moment, but also for the future. This and all its other achievements have their foundation in the forward-thinking leadership of the FMDQ Board.

FMDQ CONFERENCE ROOM

Chapter Five

Building Credibility

Information & Transparency

Product Innovation

Quotations, Listing & Liquidity Enhancement

Market Governance & Development

*Financial Market Support
for Economic Development*

In order to be a credible change agent, FMDQ needs to have a clear direction that stakeholders can understand and align with. The Board strategy session on March 8, 2013, laid the foundation for the development of the company's strategic blueprint and articulated the expectations of FMDQ stakeholders.

FMDQ's vision was also validated as follows:

To be the most liquid, efficient, secure and technology-driven OTC Market in Africa by 2018

and its mission:

To empower the OTC financial markets to be innovative and credible, in support of the Nigerian economy.

FMDQ's value proposition firmly aligns with its mission and corporate vision.

FMDQ's strategic initiatives for the next 5 years have been carefully crafted along its three cardinal roles as exchange operator, SRO and data & information integrator. These initiatives will require significant collaboration from a wide range of stakeholders, especially members, whose active participation is essential.

Indeed, FMDQ recognises that the Market Bulletin is a strategic as well as an operational communication tool for the market. It serves as a means of announcing progressive steps as FMDQ becomes a world-class securities exchange. The first ever bulletin, "Reporting of Voice Trades", was issued on June 13, 2014, while the second, "Transactions with Brokers", was issued on July 14, 2014.



MARKET BULLETIN



June 13, 2014

FMDQ/RED/130614/MB-1

TO: ALL DEALING MEMBERS

REPORTING OF VOICE TRADES

1. Pursuant to Rule Code 1.5 of the FMDQ OTC General Market Rules, the E-Bond Trading Rules and the Dealing Membership Agreement, Dealing Members are hereby reminded of the obligation to ensure that all voice trades are reported on FMDQ-advised trading systems within 30 minutes of execution of every voice trade.
2. Voice trades are defined as trades executed with other Dealing Members and Clients via telephone, email, chat rooms or on other FMDQ-authorised systems apart from the designated trading system (which provides FMDQ, Debt Management Office (DMO), Securities and Exchange Commission (SEC) and Central Bank of Nigeria (CBN) with surveillance function) for the respective products. Systems currently used on the FMDQ Platform are provided by Bloomberg, Thomson Reuters, ICAP and Parthian Partners.
3. Failure to comply with the contents of this FMDQ OTC Market Bulletin will be considered a violation of the FMDQ OTC General Market Rules and such violation will incur the relevant penalties stated in the E-Bond Trading Infractions and Penalties Guide made pursuant to the FMDQ E-Bond Trading Rules.

Please be guided accordingly.

Dipo Odeyemi

Acting Head, Regulation & Examination Division

This FMDQ OTC Market Bulletin and the documents underlined in this bulletin can be found on the website at:
<http://www.fmdqotc.com/legislation-regulation/market-bulletin/>

MARKET BULLETIN



July 14, 2014

FMDQ/RED/140714/MB-2

TO: ALL DEALING MEMBERS

TRANSACTIONS WITH BROKERS – REVISED VERSION

1. Pursuant to Clause 13.12 of the Dealing Membership Agreement, all Dealing Members are hereby reminded not to execute any trade being brokered by an individual or body corporate not registered with the Securities and Exchange Commission (SEC) and licenced by FMDQ OTC PLC (FMDQ) in relation to the products traded on the FMDQ platform.
2. Brokers (domestic and offshore) that want to engage directly in brokerage activities with any counterparty in relation to the products traded on the FMDQ platform have to be duly licenced by SEC and FMDQ. Brokers (domestic and offshore) not licenced by SEC and FMDQ must route their brokerage-related transactions through FMDQ-licenced brokers.

The current list of FMDQ Associate Member (Brokers) can be found on the FMDQ website link provided below.

3. Failure to comply with the contents of this FMDQ OTC Market Bulletin will be considered a violation of the Dealing Membership Agreement. Such violation shall incur any one or more of the following penalties:
 - a. Fines
 - b. Disqualification from the FMDQ Rebate Program
 - c. Non-consideration for FMDQ OTC "GOLD" Award
 - d. Suspension
 - e. Expulsion from the FMDQ platform
 - f. Non-recognition of the accreditation of the dealer
 - g. Public censure

Please be guided accordingly.

Dipo Odeyemi

Acting Head, Regulation & Examination Division

This FMDQ OTC Market Bulletin can be found on the website at:
<http://www.fmdqotc.com/legislation-regulation/market-bulletin/>

Chapter Six

Focusing on the Future



FMDQ was established on strong foundations of governance and values that are noble and reflective of a vibrant culture of excellence and strong spirit of collaboration. In the coming years, it will continue to build on these foundations to ensure that the organisation is positioned for sustainable operation.

The future for FMDQ is one in which it must become a part of the vital workings of the Nigerian economy and as such, viewed by stakeholders from a value-add perspective as a fundamental element of the smooth functioning of the Nigerian financial markets.

In this journey to a great future, FMDQ must create a framework wherein Dealing Members operate despite their possibly conflicting roles as shareholders and are motivated by longer term considerations and benefits of a vibrant market. It also needs to design the appropriate compensation model, both for employees and

shareholders, to reward and sustain the drive for excellence over time. FMDQ must of necessity, continue to ensure that the company is built for sustainable operation.

In terms of market operations, FMDQ must oversee the transformation of the Nigerian financial markets into one where the spot market has comparably high trading intensity and liquid yield curves on the back of an integrated debt capital market with high network effects, where all Dealing Members are backed with clearing house guarantees.

FMDQ must drive the building of a new risk



Mr. Aigboje Aig-Imoukhuede, CON

management market with a variety of plain-vanilla risk management products that offer financial security to investors, fund managers and corporate treasurers, supported by world-class integrated trading and proprietary clearing and settlement infrastructure for all products offered by FMDQ. This will position FMDQ as the OTC market trade data repository in Nigeria. In upholding highest quality standards, FMDQ, as a securities exchange, will strive to ensure its market operations conform with global standards and legal frameworks. This premise will assert its position and endearment to offshore markets and other stakeholders in line with its GOLD Agenda.

In so doing, FMDQ will evolve to be that vehicle for economic development related to debt securities supported by world-class listings, quotations and a liquid secondary market. It will facilitate foreign bonds' listings, thereby supporting FSS 2020's evolution of the Nigerian financial sector into an international financial centre and African debt capital market hub.

FMDQ EMPLOYEES - May 2014





02 / 2012
-
07 / 2014

Agent Of Change

- SEC Registration of FMDQ OTC PLC
- Launch of FMDQ OTC PLC

Market Organiser

- Maiden Publication of Daily Quotations List
- Inaugural Members Licencing

Market Systems

- Launch of FMDQ Bloomberg E-bond Trading System
- Activation of FMDQ Thomson Reuters Market Tracker

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