PROPOSED RULES FOR
ADMISSION OF COMMERCIAL PAPERS ON THE NASD OTC SECURITIES EXCHANGE

AUTHORISED USE ONLY

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1. DEFINITIONS

S/N	SUBJECT	DEFINITION
1.	**Central Securities Depository**	An institution licensed by the SEC to hold securities (such as CPs) on behalf of known investors but whose name appears on the issuer's register as a fiduciary nominee for the benefit of the investors and who operates a system of central handling of such securities deposited within its system and may be transferred, loaned, or pledged by bookkeeping entry without physical delivery of certificates.
2.	**Clean CP**	A CP not backed by a guarantee or other credit enhancement.
3.	**Corporation**	A company as defined by the Companies and Allied Matters Act 2020
4.	**CP**	Commercial Paper
5.	**Credit Enhancement**	A method of improving the credit risk profile of the Issuer or the CP Issue.
6.	**High Net Worth Investor**	An individual with a net worth of at least ₦300 Million, excluding automobiles, homes and furniture or such other definition as the Securities and Exchange Commission may determine from time to time
7.	**Issuer**	An eligible entity that intends to raise short-term financing by issuing Commercial Papers.
8.	**Issuing and Placing Agent or IPA**	A Participating Institution registered by the SEC, duly licensed by NASD and appointed by the Issuer to advice on the structuring, placement, and issuance of the commercial paper.
9.	**NASD Securities List**	List Containing information on securities trading on NASD OTC Securities Exchange.
10.	**NASD**	NASD PLC
11.	**NASD OTC**	NASD OTC Securities Exchange
12.	**Offer Documents**	Documents containing relevant information to help an investor make an informed investment decision.
13.	**Participating Institution**	A broker, broker/dealer, issuing house or bank registered with the Securities and Exchange Commission and licensed with NASD to participate on the market.
14.	**Payment Bank**	A CBN and SEC licensed bank appointed by the Issuer/Sponsor to receive funds from Investor and effect principal and interest payments at maturity to Investor.

15.	**Pricing Supplement**	Document that accompanies each Issue and contains details of the relevant issue and material changes, if any, in the information provided in the offer document
16.	**Qualified Institutional Investor**	An Investor which is a: a. Bank; b. Fund Manager; c. Pension Fund Administrator; d. Insurance Company e. Investment/Unit Trust; f. Multilateral and Bilateral Institution; g. Registered and/or Verifiable Private Equity (PE) fund; h. Registered and/or Verifiable Hedge fund; i. Market Maker; j. Staff Scheme; k. Trustees/Custodian; l. Stock broking firm; m. Any other category as the Securities and Exchange Commission may determine from time to time.
17.	**Rollover**	The reinvestment of funds generated upon maturity of CPs into a new CP Issue.
18.	**Rules**	Rules for the Admission of Commercial Papers on NASD OTC Securities Exchange.
19.	**Sponsor**	An entity with substantial interest in an Issuer which is incorporated as a Special Purpose Vehicle.
20.	**SEC**	The Securities and Exchange Commission, Nigeria
21.	**Underwriting Agreement**	A contract between the Issuer of CPs and an Underwriter to purchase all or part of the issued CPs and resell same on terms and conditions to be agreed by the parties.
22.	**Unincorporated Body**	Any entity that is not a company within the meaning of the Companies and Allied Matters Act, 2020.

2. INTRODUCTION

2.1. Purpose

In furtherance of NASD's objective to deepen access to the Nigerian Capital Market and create liquidity transparently, it has developed these Rules for the Admission of Commercial Papers on the NASD OTC Securities Exchange ("**Rules**").

2.2. Scope

These Rules shall apply to:

a. an Issuer or Sponsor seeking admission of Commercial Papers (CPs) to the NASD OTC Securities Exchange.

b. investors seeking a secondary market for trading CPs.

2.3. Features

2.3.1. CPs are short-term debt instruments typically issued by corporate organisations and other entities to cover short-term receivables and meet short-term financial obligations.

2.3.2. CPs may be issued at a discount to face value or can be issued in interest-bearing form.

2.3.3. The tenor of a CP shall range between fifteen (15) days and two hundred and seventy (270) days, including rollover, from the date of issue.

3. GENERAL REQUIREMENTS

All CPs to be admitted by NASD shall first be registered with the Commission. NASD shall be responsible for the initial review of every application for admission upon which recommendation the Commission shall consider for registration.

Mode of Issue

3.1.1. All CPs must be placed by an Issuing and Placing Agent (IPA) duly registered with NASD PLC as a Participating Institution in accordance with the Rules of the NASD OTC Market.

3.1.2. An application to admit CPs on the NASD OTC Market shall be submitted by an IPA in accordance with the provisions of these Rules.

3.1.3. CPs may be interest bearing or issued at a discount to face value as may be determined by the Issuer.

3.1.4. CPs shall be issued option-free. Consequently, options (call or put) are not permitted.

3.1.5. CPs shall be issued within the validity for issuance mentioned in the Credit Rating letter. The maturity date of the CP shall also fall within the validity period of rating.

3.1.6. All CP rollovers will be treated as a new issue and subject to registration.

3.2. **Lodgment with a Central Securities Depository**

All CPs issued shall be held in dematerialized form in a central securities depository (CSD) licensed by the Securities and Exchange Commission (SEC).

3.3. **Minimum Value and Subscription of CPs**

3.3.1. The minimum value for any CP issue is Fifty Million Naira (₦50,000,000) and in multiples of Twenty-Five Million Naira (₦25,000,000), subsequently.

3.3.2. The amount invested by a single investor shall not be less than One Million Naira (₦1,000,000) on face value.

3.3.3. The aggregate amount of a CP in issue shall not exceed the limit approved by an Issuer's Board of Directors.

3.3.4. The Issuer may state the minimum level of subscription for an Issue in the Offer Documents. Where a minimum level of subscription for an Issue is not stated in the Offer Documents, the minimum subscription level shall be 50% of the amount approved by the Issuer's Board of Directors.

3.3.5. Where the level of subscription is below the minimum level stated in clause 3.3.4, the IPA shall prior to allotment, provide a signed attestation that investors have been made aware of this fact, failing which, the Issue shall be aborted and any consideration received by the Issuer, shall be returned to all investors within two (2) business days.

3.4. **Underwriting of CPs**

3.4.1. An Issuer may at its discretion provide for the CP offer to be underwritten.

3.4.2. Where a CP issue is underwritten, it shall meet the minimum subscription requirements prescribed in these Rules.

3.4.3. Where a CP issue is underwritten, the Issuer shall disclose this fact in the Offer Documents.

3.5. **Credit Enhancement**

3.5.1. CPs may be guaranteed in full or part by any of the following entities:

a. CBN-licensed banks.
b. Development finance institutions.
c. Credit guarantee agencies
d. Corporations.
e. The Federal Government of Nigeria.

3.5.2. 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 from a credit rating agency registered or recognised by the SEC.

3.5.3. If the guarantor's credit rating is downgraded below investment grade, either prior to or following the issuance of a CP, the Issuer shall replace the guarantor with another eligible guarantor within five (5) working days.

3.5.4. NASD shall require the Issuer to provide the following relevant documents in respect of the guarantor:

a. Deed of Guarantee
b. Audited Financial Statements not exceeding nine (9) months from the previous financial year end.
c. Latest unaudited financial statements.
d. Credit Rating Report of the Guarantor

3.6. **Credit Rating**

3.6.1. As part of the registration requirements, either the Issuer/Sponsor or CP Issue shall be rated by a credit rating agency registered or recognised by SEC.

3.6.2. The minimum rating shall be investment grade as evidenced by a valid and subsisting Credit Rating Report.

3.6.3. If the CP issue has been rated by more than one rating Agency, the lower of the two ratings along with the amount specified against the rating shall be adopted. Where the ratings are the same with different amounts, the rating with the lower amount should be adopted.

3.6.4. While the credit rating agency can decide the validity period of the credit rating, the credit rating agency is responsible for monitoring the rating assigned to an Issuer based on its track record at regular intervals and shall notify the Issuer of any revision in the rating, particularly when the rating is due for review.

3.6.5. The Issuer shall notify NASD of any revision to its credit rating at any point in time by the credit rating agency within forty-eight (48) hours of the Issuer becoming aware of the revision.

3.7. **Potential Investors**

a. High Net-worth Individuals
b. Qualified Institutional Investors
c. Corporate Bodies
d. Unincorporated Bodies
e. Non-resident Nigerians
f. Foreign Institutional Investors.

3.7.1. Clean CPs shall be sold to only Qualified Institutional Investors upon the execution of a declaration (Appendix I) attesting to their awareness of the risks involved in investing in Clean CPs.

3.7.2. Secured or guaranteed CPs can be sold to all classes of investors.

3.8. **Shelf Registration of CPs**

3.8.1. CPs may be issued under a Shelf Registration.

3.8.2. Every Shelf Registration shall be registered with the Commission and such percentage of the review and registration fee shall be remitted to the Commission before admission on the NASD OTC Exchange.

3.8.3. An Issuer/Sponsor may issue several series or tranches with different maturity dates, under a Shelf Registration.

3.8.4. Where CPs are issued under a shelf registration, the Issuer/Sponsor shall file a pricing supplement in respect of each tranche or series of the Issue.

3.8.5. A Shelf Registration shall be valid for a period of three (3) years but may be renewed by the Issuer/Sponsor upon filing of necessary documents as may be prescribed by NASD.

4. ADMISSION OF CP ISSUE – REQUIREMENTS

4.1. **Definition**

Admission of a CP Issue connotes an application by an Issuer to be admitted to issue CPs in the first instance on the NASD OTC platform.

4.2. **Appointment of an Issuing and Placing Agent (IPA) and Payment Bank**

4.2.1. The Issuer of a CP shall appoint an IPA duly licensed by NASD and registered with the SEC, to submit its application for admission of CPs on NASD.

4.2.2. The Issuer shall also appoint a Payment Bank to receive funds from Investors and effect principal and interest payments at maturity to Investors.

4.2.3. The relationship between the Issuer/Sponsor, IPA and Payment Bank must be clearly stated in the Agreement executed between the parties.

4.3. Eligibility Criteria for Issuers

An Issuer applying for the admission of a CP issue shall:

4.3.1. be a duly incorporated entity registered under the laws of Nigeria for not less than five (years).

4.3.2. have not less than three (3) years' Audited Financial Statements prior to the date of its application to be admitted for issue of CPs on NASD OTC Market.

4.3.3. be authorised by its Memorandum and Articles of Association and/or other relevant constitutional documents with regards to its capacity to issue debt securities and borrowing limits, among others.

4.3.4. Have a minimum shareholders' funds (unimpaired by losses) of ₦250,000,000.00 (Two Hundred and Fifty Million Naira) as evidenced by its latest audited accounts (not being later than nine (9) months from the last financial year end) which shall be maintained at or above that level for the entire tenor of its CPs admitted on NASD OTC Exchange.

4.3.5. The Issuer shall have no overdue loans or default in its credit information report obtained from a CBN licensed Credit Bureau, and the said report shall be issued not later than two (2) weeks prior to the application date.

4.3.6. The Issuer's total indebtedness, including the new CP issue should not exceed Four Hundred per cent (400%) of the Issuer's net worth (or gearing ratio of 4:1) as at the date of its latest audited accounts.

4.3.7. Where the CP is guaranteed, the Issuer shall maintain an approved credit line with a licensed Nigerian Bank who acts as guarantor.

4.3.8. Notwithstanding the above, where the Issuer is a Special Purpose Vehicle (SPV) set up for the purpose of issuing asset or mortgage-backed CPs, it shall:

a. obtain a minimum credit rating of investment grade or higher from a rating agency registered in Nigeria or any international rating agency registered or recognised by SEC.
b. provide predictable cash-flows of the underlying assets or mortgages.
c. provide a minimum of two (2) years credit history of the underlying assets or mortgages.

4.4. **Required Documentation**

The Issuer/Sponsor seeking admission of CPs shall through an IPA, file an application in the prescribed format (NASD/CP/01) for admission of the CP Issue along with the supporting documentation and disclosures outlined below:

- Information Memorandum or such other equivalent and/or supplemental Offer Document containing all relevant information in respect of the Issue/Sponsor;
- Certified True Copy (CTC) of its Memorandum and Articles of Association;
- CTC of the Certificate of Incorporation of the Issuer and Sponsor (where necessary);
- Company profile reflecting the Issuer's name, registered office address, principal activity, business sector, organizational structure, subsidiaries, associates, factory/branch locations, and products/services;
- CTC of the Issuer's/Sponsor's most recently filed CAC Form 2/Status Report from CAC (Statement of Share Capital and Return of Allotment of Shares) and a description of the shareholding structure showing major shareholders owning above five per cent (5%);
- CTC of the most recently filed CAC Form 7/Status Report from CAC (Particulars of Directors) and profiles of the Directors and Management team;
- List of changes in the composition of the Board of Directors and Management team of the Issuer/Sponsor during the year, if any;
- Annual Reports and Audited Financial Statements for the past three (3) years with the most recent not older than nine (9) months from the last financial year end;
- Most recent unaudited interim reports and accounts;
- External auditor's comfort letter on the Issuer/Sponsor.
- Any document that provides information and details of any charges or encumbrance on the Issuer's/sponsor's cash flow.

- Comprehensive schedule of the Issuer's/Sponsor's current debt profile by type, purpose, tenor, and maturity dates.

- Comprehensive schedule of all material contracts executed by the Issuer/Sponsor.

- Details of any litigation and claims currently involving the Issuer/Sponsor certified by the Issuer's external solicitors.

- Evidence that the issuance of the CP does not exceed the limit of the Issuer's/Sponsor's borrowing powers.

- Credit information report by a CBN-licensed credit bureau;

- Valid and subsisting Credit Rating Report (of the Issuer or Issue) obtained from a credit rating agency registered or recognised by SEC;

- Copy of Issuing and Paying Agent's mandate and Agreement;

- Copy of Guarantee or Credit Line Agreement, where applicable;

- Copy of Underwriting agreement, where applicable;

- Sources of repayment/funding plan for the Issue;

- Details of any credit enhancement to support the CP Issue in the form of guarantee or credit lines (where applicable);

- A list of all debt instruments of the Issuer having a ranking equal to or higher than the CP Issue (certified by the solicitor to the Issue/Programme);

- Full financial projections (income statement, balance sheet and cash flow with notes) together with the detailed underlining assumptions for the tenor of the CP;

- Reporting accountant's final report on the financial projections (optional);

- Resolution of the Board authorizing the Issue and the approved amount;

- Solicitor's legal opinion in respect of the Issue;

- Shareholders' resolution of the Issuer/Sponsor in general meeting authorizing the Issue (where applicable).

- Evidence of payment of NASD's application fee for admitting the CPs;

- Signed undertaking (Appendix II) to abide by the Rules of the NASD OTC Market, and to pay all relevant fees;

- Such other documents as may be required by NASD.

4.5. **Admission Process**

4.5.1. Submission of an application for admission of the CP Issue by the IPA, together with all relevant documents as provided in these Rules.

4.5.2. Review and consideration of the application by NASD.

4.5.3. NASD shall approve an application if the Issuer and the proposed Issue satisfy the applicable rules.

4.5.4. NASD shall notify the Issuer of its approval or the outcome of its review within ten (10) days from the receipt of all required documents as specified in Clause 3.4;

4.5.5. The CP shall then be admitted on NASD's Securities List.

4.6. **Minimum Value and Minimum Subscription**

The minimum value for any secondary trade on CPs issue shall be One Million Naira (₦1,000,000).

4.7. **Dual Admission**

4.7.1. CPs listed on any registered exchange in Nigeria can also be admitted to trade on NASD subject to applicable law and such regulations as may be issued by NASD from time to time.

5. PAYMENT TO INVESTORS

5.1. The Issuer/Sponsor of a CP issuance shall ensure that no later than 12:00am on the maturity date, its funding account with the Payment Bank has been duly funded with the relevant amount to pay the investors.

5.2. No later than three (3) days before the maturity of a CP issuance, the IPA shall obtain the register of CP holders from the relevant CSD and forward the register to the Payment Bank.

5.3. The Payment Bank shall effect repayment to the designated accounts of the relevant CP holders on the maturity date of the CPs.

5.4. The IPA shall notify NASD in writing that funds have been paid to all CP holders by 5:00 PM at the latest, on the maturity date of the CP.

6. ROLL OVER OF CP

6.1. An Issuer/Sponsor may roll over a CP issue, upon obtaining the approval of the CP holders.

6.2. An Issuer/Sponsor desirous of rolling over a CP issue shall comply with the following:

a. Notify the IPA of its intention to rollover no later than five (5) business days before the maturity date of the CP.

b. Provide the IPA with relevant documents towards the re-evaluation of the new CP issue.

6.3. The IPA shall inform the Commission through NASD Plc, of the Issuer's/Sponsor's intention to rollover a CP issue no later than five (5) business days before the maturity of the CP, and shall also provide the Commission with the following:

6.3.1. Written confirmation that the investors of the CP issue have been notified of the rollover.

6.3.2. Where the terms of the rollover are the same as the initial CP issue, a letter to that effect; and

6.3.3. Where the terms of the rollover are different from the terms of the initial CP issue, a letter to that effect accompanied by the relevant revised Offer Documents.

6.4. Upon complying with Clause 6.3, the IPA shall inform NASD of the Issuer's/Sponsor's intention to rollover the CP issue no later than two (2) business days before the maturity of the CP, and shall also provide NASD with the following:

6.4.1. Written confirmation that the investors of the CP issue have been notified of the rollover.

6.4.2. Where the terms of the rollover are the same as the initial CP issue, a letter to that effect; and

6.4.3. Where the terms of the rollover are different from the terms of the initial CP issue, a letter to that effect accompanied by the relevant revised Offer Documents.

6.5. The terms of the rollover documents shall supersede the Offer Documents of the initial CP issue.

7. CONTINUOUS DISCLOSURE OBLIGATIONS

An Issuer/IPA shall within forty-eight (48) hours of becoming aware of any information that affects its creditworthiness furnish to NASD such information and shall comply with other material disclosure requirements under NASD OTC Security Exchange's Rules.

8. TRADING MODALITIES

8.1. **Pricing Model**

The IPA shall provide the Pricing Supplement for each CP sought to be issued within forty-eight (48) hours prior to the opening of the offer/issue.

8.2. **Settlement**

The provisions of the "Rules and Regulations of the NASD OTC Market" on Trade Settlement shall apply to the settlement of trades in CPs.

8.3. **Trading Days and Hours**

8.3.1. NASD shall open for trading on all days except Saturdays, Sundays and on such National public holidays as may be declared from time to time by the Federal Government. Deviation from the indicated days may occur in special circumstances following a decision by NASD and after due notice has been given.

8.3.2. Trading shall be conducted between the hours of 9.30am to 3.00pm on the OTC Trading Platform. NASD may extend, advance, or reduce trading hours on its market by notifying Authorised Representatives.

8.4. **Trading System**

The provisions of the "Rules and Regulations of the NASD OTC Market" with respect to Market Operations (Sections 2(1 to 10)) shall apply to the primary and secondary trading of CPs on NASD OTC Exchange.

9. DUTIES AND OBLIGATIONS OF PARTIES

9.1. **The Issuer/Sponsor**

The Issuer/Sponsor shall:

9.1.1. Ensure strict compliance with these Rules for Admission of Issue.

9.1.2. Provide all prospective investors in the CPs with the same information which shall be disclosed in the Offer Documents and shall give prospective investors the opportunity to question the Issuer about the terms and conditions of the Issue, and to obtain any additional facts necessary to verify the information provided by the Issuer prior to the Issue.

9.1.3. Ensure that the proceeds from the Issue are utilized towards financing only current assets and operating expenses as explicitly disclosed in the Offer Document.

9.1.4. Take steps to ensure that it does not default on payment of amounts due to investors.

9.1.5. Treat prospective investors in the CPs in a fair and equitable manner and in accordance with the existing Rules and Regulations of the NASD OTC market.

9.1.6. Keep its creditors (from whom it has outstanding credit facilities) informed of its market borrowings, including CPs, latest by the end of the month in which a CP was issued.

9.1.7. Be bound by the terms and conditions contained in the NASD-approved Offer Documents.

9.1.8. Ensure that there are sufficient funds in its account with the Payment Bank to pay investors at least two (2) business days before the maturity date of the CP, failing which the Issuer shall be deemed to be in default.

9.1.9. For the purpose of these Rules, part-payment of the CP value to investors shall also constitute a default.

9.1.10. Ensure that it has duly paid any taxes required to be paid in connection with the issuance of any CPs.

9.1.11. The Issuer, through the IPA shall provide NASD with any information that may affect its creditworthiness.

9.1.12. Where the tenor of a CP exceeds three (3) months, the Issuer shall, on a quarterly basis, prepare and submit to NASD a Report highlighting any changes to the information contained in the Offer Documents or any corporate action.

9.1.13. The Issuer shall comply with such other obligations as may be prescribed by NASD from
time to time.

9.2. **The Issuing and Placing Agent**

The IPA shall:

9.2.1. ensure the Issuer/Sponsor is provided with appropriate guidance on the initial and continuous obligations of Issuers as prescribed in these Rules.

9.2.2. ensure that the amount raised through the CP issuance is in line with the Offer Documents and within the limit approved by the Issuer's Board of Directors.

9.2.3. notify NASD within twenty-four (24) hours of becoming aware of any circumstances that could make the contents of the Offer Documents an untrue statement or a misrepresentation of a material fact and render the Offer Documents inaccurate and/or misleading.

9.2.4. Further to section 7.2.3 above, the IPA shall use all reasonable endeavours to procure a revision or supplement which will correct such untrue statement or include such omitted fact. Where it is unable to procure such revision or supplement, the IPA shall inform NASD of this fact.

9.2.5. Ensure that the Offer Documents clearly outline the risks inherent in CP investments and that at maturity, payments will be made to investors only if the Issuer or a guarantor has made the funds available to the IPA.

9.2.6. Ensure that the provisions of section 4.4 and 2.3 with respect to the minimum level of subscription are complied with and in circumstances where the minimum level of subscription falls below the prescribed requirement, provide a signed attestation that investors have been made aware of the fact.

9.2.7. Immediately report to the NASD, full particulars of any defaults in repayment of CP by an Issuer.

9.2.8. obtain the Register of CP holders from the CSD three (3) Business Days before the maturity of the CP.

9.2.9. ensure that the Offer Documents clearly provide that in the event of any default by the Issuer, the IPA is under no obligation to seek recovery or initiate any action against the Issuer either on its own or on behalf of the investors.

9.2.10. shall allot the CPs to investors applying the methods stated in the Offer Documents.

9.2.11. In addition to complying with the provisions of these Rules, ensure compliance with the Rules and Regulations of the OTC Market, the Market-Maker Rules and other rules, regulations, guidelines, or circulars issued by NASD from time to time.

10. ENFORCEMENT OF THE COMMERCIAL PAPER LISTING RULES

10.1. Where an Issuer contravenes the provisions of these Rules, NASD may impose any one or more of the following punitive measures:

a. Written Warning;
b. Fines;
c. Suspension of the CP from the NASD Securities List;
d. Removal of the CP from the NASD Securities List;
e. Public Censure;
f. Such other punitive measures which the NASD considers appropriate in the circumstances.

10.2. **Power to Remove a CP from the NASD OTC Platform**

NASD admits CPs on its platform subject to the condition that NASD reserves the right, where it considers it necessary for the protection of investors or the maintenance of an orderly market, to at any time suspend or expel any CPs in such circumstances and subject to such conditions as it thinks fit, whether requested by the Issuer or not. The instances where NASD may take such action include where:

10.2.1. An Issuer fails, in a manner which NASD considers material, to comply with these Rules.
10.2.2. Failure to pay on time any fees or levies due to NASD;
10.2.3. NASD considers that the Issuer does not have sufficient level of operations or sufficient assets to warrant the continued Trading of its CPs on NASD's Platform;
10.2.4. Any other circumstance which NASD deems fit, to suspend or delist a CP from the NASD Securities List of NASD.

10.3. **Request for Suspension by an Issuer**

10.3.1. Where an Issuer itself seeks a suspension of trading of its CPs, its request shall be made to NASD by its IPA and must be confirmed in writing.

10.3.2. The request must be supported by:

a. specific reasons for the request,
b. the requested duration of the suspension,
c. the nature of the event affecting the Issuer's activities which will be announced and the current state of events with respect to the Issuer's activities,

10.3.3. The Issuer must have disclosed the above to NASD, within forty-eight (48) hours of the decision to enable NASD assess its request.

10.3.4. The continuation of a suspension for a prolonged period without the Issuer taking appropriate action to obtain restoration for Admission may lead to expulsion 'of' the CP from the NASD Securities List.

10.3.5. A CP may be delisted without being suspended. Where NASD considers that a CP is no longer suitable for Admission, it shall notify the Issuer, and make an announcement naming the Issuer and specifying the period within which the Issuer shall remedy those matters which have rendered the CP unsuitable for Admission. If the Issuer fails to remedy such matters within the period prescribed in NASD's announcement, NASD may expel the CP from its NASD Securities List.

10.4. **Discipline of the IPA and/or Payment Bank**

10.4.1. Failure by an IPA or Payment Bank to comply with the provisions of these Rules shall incur one or more of the following penalties:

a. Fines;
b. Suspension on such terms and for such period as NASD may think fit;
c. Expulsion;
d. Blacklisting;
e. Public Censure.

APPENDICES

APPENDIX I – INVESTOR DECLARATION FORM

APPENDIX II – FORM OF GENERAL UNDERTAKING

APPENDIX III - APPLICATION FOR THE ADMISSION OF COMMERCIAL PAPERS

APPENDIX IV – DOCUMENTATION CHECKLIST

APPENDIX V – APPLICABLE FEES

APPENDIX I - INVESTOR DECLARATION FORM

Definition – Qualified Institutional and High Net Worth Investors

"**Qualified Institutional Investor or High Net Worth Investor"** is regarded as one who is financially sophisticated and assumed to be better informed and better able to access resources to protect their own interests, and who therefore require less regulatory protection.

Declaration

I hereby confirm and declare that:

1. I am eligible to be treated as "**Qualified Institutional Investor or High Net Worth Investor."**
2. I have read and understood the Offer Document and other information regarding investing into (**Description of Issue**), including the mandatory risk warnings and I have undertaken a professional evaluation of the investment.
3. I possess the necessary expertise, experience, and knowledge to be in a position to make my/our own investment decisions and understand the risks involved.

(*Please tick if applicable*)

☐

4. I hereby confirm that I have been properly appointed as a duly authorised agent of a prospective investor in the Issue described above. I certify that my principal/s is/are eligible to be treated as a "**Qualified Institutional Investor**" since my principal/s satisfies the definition thereof. I certify that my principal/s has read and understood the Offer Document in respect of this CP Issue.

Name of Investor	
Name of Signatory (if different from above)	
Signature	
Contact Email and Address	
Title/Capacity in which signed	
Date Signed	

[TO BE PRINTED ON ISSUER'S LETTERHEAD]

APPENDIX II - FORM OF GENERAL UNDERTAKING

The Managing Director
NASD PLC
UBA House
57, Marina Road
Lagos Island,
Lagos

NAME OF ISSUER) - UNDERTAKING WITH RESPECT TO THE ISSUE OF COMMERCIAL PAPERS ON NASD OTC SECURITIES EXCHANGE

With reference to the application made on behalf of (Issuer Name) for the Admission of Commercial Papers on NASD OTC Securities Exchange) the undersigned hereby acknowledges that its CPs shall remain on NASD's NASD Securities List on such terms as NASD may prescribe from time to time. The Issuer hereby undertakes to:

1. Comply at all times with the Rules for the Admission of Commercial Papers on NASD OTC Securities Exchange **("Rules")**, as may be amended from time to time.
2. Perform all the relevant obligations as it relates to the Issue, Issuer, IPA, and other related parties as stated in the Rules.
3. To immediately notify NASD of:
    3.1. Any changes in the information made available to NASD, contained in the Offer Documents or corporate action that could affect the price of the CP in the market together with supporting documentation;
    3.2. Any interim financial statements showing the comparative figures in respect of profits before taxation and after taxation, even if this calls for qualification that such figures are provisional or subject to audit (if publicly available);
    3.3. The amount of the CPs outstanding after any sale has been made (in the case of a Programme);
    3.4. Such other information as may be necessary to enable holders of the CP to appraise the position of the Issuer.
4. Forward to NASD a copy of:
    4.1. all circulars, notices, reports, documents, or announcements at least fourteen (14) days before being issued to holders of the CP or made in respect of the CP;

4.2. all resolutions passed at any General Meeting or Board Meeting of the Issuer that may affect the CP Issue.

5. Notify NASD of any other debt instrument issued following the Admission of the CPs within three (3) business days of such issuance.
6. Pay all fees on the CP issue as required by NASD, which fees are subject to review from time to time.
7. Take steps to avoid and prevent any leakage of any information that will impact the price of the CP.

The Common Seal of (insert issuer) has been affixed to this undertaking in the manner below on the _____ day of _____ 20__

In the Presence of

_____ _____

(Insert name) **(Insert name)**

Director **Director/Secretary**

[TO BE PRINTED ON ISSUER'S LETTERHEAD]

APPENDIX III - Application for the Admission of Commercial Papers

Date

The Managing Director
NASD PLC
UBA House
57, Marina Road
Lagos Island,
Lagos

Dear Sir,

(ISSUER NAME) - APPLICATION FOR THE ADMISSION OF (DESCRIPTION OF ISSUE) ON NASD OTC SECURITIES EXCHANGE

(Name of Issuer) hereby applies to register **[Description of Issue]** for admission on NASD OTC Securities Exchange ("**NASD**").

We undertake to fulfil all requirements for Admission of the Issue/Security in accordance with the Rules for the Admission of Commercial Papers on NASD OTC Securities Exchange.

[Name of Issuer] hereby unconditionally and irrevocably undertakes, indemnifies and agrees to keep indemnified and hold harmless, NASD PLC and its officials against any action, claim, causes, suits, proceedings and demands whatsoever, which may at any time be taken and made against NASD and/or its officials whether directly or indirectly, that may arise by reason of or in consequences or in connection with Admission or Removal of the Commercial Papers on NASD OTC Securities Exchange.

Yours Faithfully,

Name	**Name**
Director	**Director/Secretary**

APPENDIX IV- DOCUMENT CHECKLIST FOR ADMISSION OF COMMERCIAL PAPERS

ADMISSION OF ISSUER			
S/N	**DOCUMENTATION**	**YES/NO**	**COMMENTS**
1.	Completed NASD/CP/01		
2.	Information Memorandum or such other equivalent and/or supplemental Offer Documents containing all relevant information in respect of the Issue		
3.	Certified True Copy (CTC) of Memorandum and Articles of Association		
4.	CTC of the Certificate of Incorporation of the Issuer		
5.	Company profile reflecting the Name, registered office address, principal activity, legal form, business sector, organizational structure, subsidiaries, associates, factory/branch locations, and products/services;		
6.	CTC of most recently filed CAC Form 2 (Statement of Share Capital and Return of Allotment of Shares) and a description of the Issuer's shareholding structure showing major shareholders owning above five per cent (5%)		
7.	CTC of most recently filed CAC Form 7 (Particulars of Directors) and profiles of the Directors and Management team		
8.	List of changes in the composition of the Board of Directors and Management team during the year, if any		
9.	Annual Reports and Audited Financial Statements for the past three (3) years with the most recent not older than nine (9) months from the last financial year end;		
10.	Most recent unaudited interim reports and accounts		
11.	External auditor's comfort letter on the Issuer/Sponsor.		
12.	Any documentation that provides information and details of any charges or encumbrances on the Issuer's cash flows.		
13.	Comprehensive schedule of current debt profile by type, purpose, tenor, and maturity dates.		
14.	Comprehensive schedule of all material contracts executed by the Issuer.		

15.	Details of any litigation and claims currently involving the Issuer certified by the Issuer's external solicitors.		
16.	Evidence that the issuance of the CP does not exceed the limit of the Issuer's borrowing powers.		
17.	Credit information report by a CBN-licensed credit bureau		
18.	Valid and subsisting Credit Rating Report (of the Issuer or Issue) obtained from a credit rating agency registered or recognised by SEC		
19.	Copy of Issuing and Placing Agent mandate and Agreement		
20.	Copy of Guarantee or Credit Line Agreement, where applicable		
21.	Copy of Underwriting agreement, where applicable		
22.	Sources of repayment/funding plan for the Issue		
23.	Details of any credit enhancement to support the CP Issue in the form of guarantee or credit lines (where applicable)		
24.	A list of all debt instruments of the Issuer having a ranking equal to or higher than the CP Issue (certified by the solicitor to the Issue/Programme)		
25.	Full financial projections (income statement, balance sheet and cash flow with notes) together with the detailed underlining assumptions for the tenor of the CP		
26.	Reporting accountant's final report on the financial projections		
27.	Special Resolution of the Board authorizing the Issue and the approved amount		
28.	Resolution of the Issuer in general meeting authorizing the Issue.		
29.	Evidence of payment of NASD's application fee for admitting the CPs		
30.	Signed Undertaking (Appendix II) to abide by the Rules and Regulations of the NASD OTC Market, and to pay all relevant fees		
ADMISSION OF SECURITY			
S/N	**DOCUMENTATION**	**YES/NO**	**COMMENTS**
1.	Completed Application Form (NASD/CP/01) for the admission of CPs.		
2.	Evidence of registration of CPs on a registered exchange.		
3.	Copy of Information Memorandum or other Offer Document prepared for the primary issue of the CPs.		
4.	Company Profile.		

5.	Evidence of registration and dematerialization of the CPs with a central securities depositary licensed by SEC.		
6.	An Undertaking by the PI to comply with all the Rules and Regulations of NASD.		

Note: The above list is not exhaustive, and NASD reserves the right to request for additional information or documentation.

APPENDIX V – APPLICABLE FEES

A. REGISTRATION

Product	Review and Registration Fee (Non-refundable) ₦
Commercial Paper (CP)	**1,500,000**

Note: Fee comprises review and registration fees payable to the NASD. 50% of this fee shall be remitted to the Commission for registration of the CPs.

B. CP LISTING

COMMERCIAL PAPERS LISTING FEES		
Tenor	**New Issue**	**Rollover**
15 days	0.0125%	0.00438%
30 days	0.0150%	0.00525%
60 days	0.0175%	0.00613%
90 days	0.0225%	0.00788%
270 days	0.0250%	0.00875%