

July 27, 2016

FMDQ/MRG/270716/MB-11(R)

From: MARKET REGULATION GROUP

To: ALL DEALING MEMBER (BANKS) OF FMDQ OTC SECURITIES EXCHANGE

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

1. The following guidance is issued pursuant to clause 2.4 of the OTC FX Futures Market Operational Standards (the “Standards”).
 - Due to the implicit strategy of the current CBN OTC FX Futures quotes, ***existing Foreign Direct Investments, Foreign Portfolio Investments and Foreign Currency Loan transactions*** executed prior to the effective date of the Standards (Wednesday, July 27, 2016) shall be suspended as underlying eligible transactions for the purpose of executing OTC FX Futures contracts, and as such, will not qualify for hedges using the current quotes supplied by the CBN, until such a time as advised by FMDQ.
2. In the interest of clarity, OTC FX Futures contracts executed to hedge the above-mentioned transactions prior to the effective date of the Standards remain valid and are not impacted by the exception stated above.
3. Dealing Member (Banks) are hereby directed to take note of the above guidance and comply.
4. This Market Bulletin supersedes the Market Bulletin reference ***FMDQ/MRG/270716/MB-11*** previously advised to Dealing Member (Banks).

Please be guided accordingly.



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