

AUGUST 1, 2016

FMDQ/MRG/010816/MB-12

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

FROM: MARKET REGULATION GROUP

REGISTRATION OF FMDQ DEALING MEMBER (BANKS) WITH THE SECURITIES AND EXCHANGE COMMISSION

1. The Investments and Securities Act (“ISA” or the “Act”) 2007 in Section 38 (1) provides as follows that:
No persons shall
 - (a) *operate in the Nigerian capital market as an expert or professional or in any other capacity as may be determined by the Commission; or*
 - (b) *carry on investments and securities business unless the person is registered in accordance with this Act and the rules and regulations made thereunder.*
2. However, in order to bring the erstwhile unregulated inter-bank markets under proper governance and in recognition of the structural significance of FMDQ OTC Securities Exchange (“FMDQ”) to the Nigerian capital market landscape, the Securities and Exchange Commission (“SEC” or the “Commission”), in the exercise of its statutory powers, deferred the requirements of Section 38 (1) of the Act by permitting FMDQ to licence the existing banks (and then discount houses) as Dealing Members on **May 21, 2014**. This exception was granted on the condition that the Dealing Members regularise the registration with the Commission within three (3) months of the aforementioned licencing date.
3. Further to the above, the Commission in its magnanimity, having provided numerous opportunities for Dealing Member (Banks) [“DMBs”] to complete their registration as *FMDQ OTC Dealers*, set a final deadline of **July 30, 2016**, following which defaulting institutions shall cease to operate in the FMDQ Markets. As at July 30, 2016, of the twenty-three (23) banks currently licenced by FMDQ as DMBs, only ten (10) banks have successfully completed their registration as *FMDQ OTC Dealers*.
4. However, in consideration of the diligent efforts made by DMBs to secure the registration of their institutions and sponsored individuals ahead of the July 30 deadline, the Commission has set **Thursday, August 18, 2016** and **Friday, August 19, 2016** as the dates for the final training and interview sessions for the registration of DMBs as *FMDQ OTC Dealers*. To this effect, in order to secure invitations for the final training and interview sessions, DMBs yet to conclude the process must regularise their registration statuses by **Thursday, August 11, 2016**.
5. This FMDQ OTC Market Bulletin also serves as a notice to all DMBs that effective immediately, **Unity Bank PLC**, having provided no evidence to FMDQ that it has commenced the process of registration with the Commission as an *FMDQ OTC Dealer*, has been suspended from participation on the FMDQ E-Bond Platform.
6. Consequently, DMBs are hereby directed to cease two-way quote (2WQ) trading with Unity Bank PLC on the FMDQ E-Bond Platform until otherwise advised by FMDQ.
7. Failure to comply with the contents of this FMDQ OTC Market Bulletin shall be considered a violation of the Act, the SEC Rules and Regulations made pursuant to the Act as well as FMDQ Rules, and shall be penalised in accordance with the provisions of the aforementioned regulatory frameworks.

Please be guided accordingly.



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