

August 1, 2014

FMDQ/RED/010814/MB-3

TO: ALL DEALING MEMBERS

DISCLOSURE OF INFRACTIONS AND PENALTIES IN PUBLISHED ANNUAL REPORTS AND ACCOUNTS

1. Dealing Members are hereby mandated to disclose **ALL** penalties paid to FMDQ, as well as the related infractions, in each financial year in their published annual reports and accounts. This directive is in accordance with Section 27 (2) of the Banking and Other Financial Institutions Act (BOFIA) Cap B3 LFN 2004 which states that:

(2) Every published account of a bank, under subsection (1) of this section, shall disclose in detail penalties paid as a result of contravention of the provisions of this Act and provisions of any policy guidelines in force during the financial year in question and the auditor's report shall reflect such contravention.

2. Failure to comply with this directive will incur one or more of the sanctions stated in the FMDQ OTC General Market Rules. In addition, defaulting Dealing Members will be publicly censured and reported to the CBN for further action.

As a frontline regulator, FMDQ is required to report all infractions and penalties to the regulators i.e. the Securities and Exchange Commission (SEC), the Central Bank of Nigeria (CBN) and the Debt Management Office (DMO).

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/regulation/market-bulletin/>