

# Instructions for registering with NASD

These instructions should be read in conjunction with the Rules of the NASD Market and SEC's Rule on Trading on Unlisted Securities prohibiting the transfer of unlisted public securities "except through the platform of a registered securities exchange".

Registration can be in any of the following categories:

- Broker/Dealer
- Accredited Issuing House
- Broker

Please note that entities should apply for categories in which they are SEC registered. For instance, the entity holding a broker/dealer licence should only apply as broker/dealer.

### **Guidance notes:**

- *The Accredited Issuing House is a firm that provides advice and assists the Issuer:*
  - ✓ *structure the transaction into a tradable instrument, and*
  - ✓ *Ensure compliance with the applicable Rules and guidelines.*
- *The Broker/Dealer is a firm that facilitates buy and sell transactions for its customers and also on its own account. It may also introduce a security for listing on the Market.*
- *The Broker can facilitate buy and sell transactions for its customers but not on its own account.*

### **Eligibility Criteria**

An applicant shall, prior to being registered as a Participating Institution on the NASD Market:

- a) Be SEC registered,
- b) Be incorporated as a Limited liability company and shall employ competent and suitable personnel with the requisite knowledge and qualification to carry out activities in the securities business;
- c) satisfy NASD that it has the appropriate technical infrastructure, professional and organizational capabilities that will allow it discharge its obligations as a Participating Institution;
- d) satisfy NASD that it has in place documented policies, procedures and controls (including risk management standards, controls for the prevention of money laundering and terrorist financing) to ensure that it will comply on a continuous basis with all requirements imposed by the Rules;
- e) Be sponsored by either two Directors of NASD or two NASD Participating Institutions;
- f) have the minimum capital adequacy required by the Commission.

### **Application Process**

An application to participate on the Market shall be made in writing to NASD accompanied by the non-refundable application fee, a duly completed NASD Form 1a and the documents listed on page 4 of this document.

Entities applying under the function of a Broker/Dealer or a Broker must also register at least one Authorised Trader as part of its Authorised Representatives using NASD Form 1b.

Registering and gaining access to the Trading Platform entails 3 easy steps:

- **Step 1 (Application)**- Complete and submit the prescribed forms in duplicate (NASD Form 1a) and attach the supporting documents with the applicable fees. Incomplete applications will not be approved and fresh applications will be required **after 3 months** from the date of submission.

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- **Step 2 (Processing)** – Your application and supporting documents will be reviewed, checked for compliance with NASD requirements and submitted to the Board for approval.
- **Step 3 (Activation)** – Once approval has been given, NASD shall issue a license to the Participating Institution.

The entire process may take up to 4 weeks and the names of Participating Institutions shall be updated on our website at [www.nasdng.com](http://www.nasdng.com)

Once you have completed the application, enclose the supporting documents in an envelope marked '**NASD REGISTRATION**' and send to

**The Managing Director**  
NASD  
UBA House (9<sup>th</sup> Floor)  
57, Marina  
Lagos.

Kindly send enquiries through email to [registration@nasdng.com](mailto:registration@nasdng.com) or call the NASD help desk on 01-4605008 for clarification.

We look forward to your participation and development of the OTC Market.

## Applicable fees

	<b>Application fee</b>	<b>Annual fee*</b>
<b>Broker/Dealer</b>	₦ 300, 000	₦ 35, 000
<b>Accredited Issuing House</b>	₦ 200, 000	₦ 50, 000
<b>Broker</b>	₦ 200, 000	₦ 50, 000
<b>Authorized Trader</b>	₦ 50, 000	₦ 20, 000
<b>Trading Platform Maintenance</b>		₦ 75,000

\*Note: There is a 50% discount on Annual fees for applications received from July to September and 70% discount for applications received from October to December. The Trading Platform Maintenance fee is effective 1 January 2016.

**General Information**

Full Corporate Name:

Registered address:

RC Number:

Date of Incorporation:

Website:

Phone:

Are you SEC registered?    **Yes**    **No**

Kindly tick the required function:

- a) Broker/Dealer
- b) Accredited Issuing House
- c) Broker

Kindly tick the segment

Equities    Fixed Income Instruments    Derivatives    Others, please specify \_\_\_\_\_

**Principal Officer Contact**  
(Please attach MD's Resume)

**Enquiries Contact**

**Compliance Contact**

Name:

Name:

Name:

Phone:

Phone:

Phone:

Email:

Email:

Email:

**Use of NASD Trading Network**

We have read and agree to comply with NASD's Rules for responsible use of its trading network at all times.

**Authorised Trader\***

Name of Trader:

Name of Trader:

CIS Number:

CIS Number:

SEC registered:    **Yes**    **No**

SEC registered:    **Yes**    **No**

Phone:

Phone:

Email:

Email:

\*Use additional sheets where necessary

### Mode of Payment

Payments can be made by either issuing a Bank draft in favour of NASD or by Bank transfer.

- Kindly tick the mode of payment: **a) Bank draft b) Bank transfer**
- For Bank transfer details, kindly contact an NASD adviser by sending an email to [finance@nasdng.com](mailto:finance@nasdng.com)

### Supporting documents

- The review process may take up to 4 weeks after which you will be granted access to the Trading Network.
- Kindly submit copies of the following documents with your application and tick off the box :-

Company profile	
Certificate of Incorporation	
Memorandum and Articles of Association	
Particulars of Directors - CAC Form 7	
Particulars of Shareholders - CAC Form 2	
Evidence of SEC registration	
An undertaking to abide by the Rules of the NASD OTC Market, the SEC Code of Corporate Governance and any other relevant legislation.  The undertaking should be notarized by a Notary Public or sworn to at the High Court registry (See attached a template)	
Copy of agreement with appointed settlement bank	
Evidence of payment of applicable fees	
Copy of business continuity plan and technical infrastructure	
Reference letters from 2 Directors of NASD or 2 Participating Institutions	

- NASD reserves the right to request for additional information and documentation.

### Authorization and Affirmation

This information is provided by the Applicant for the purpose of registering for applied functions in the NASD OTC Market. This is to affirm and certify that we are officers of this company and have the legal authority to provide information on the company's application for registration. We declare that to the best of our knowledge, the above information provided is true and correct as of this date and we will promptly notify NASD if any change occurs.

**Please note that Applicants have a continuing duty to update responses to each of the questions in this application whenever there is an addition or change to the information previously given.**

Name of Director:	Name of Company Secretary:
Signature:	Signature:
Date:	Corporate Seal:

