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To: ALL MARKET PARTICIPANTS
From: MARKET REGULATION GROUP

AMENDMENTS TO THE FMDQ COMMERCIAL PAPER QUOTATION RULES

1. This Market Bulletin serves to notify all market participants on FMDQ OTC Securities Exchange (“**FMDQ**” or the “**OTC Exchange**”) of the amendments to the FMDQ Commercial Paper Quotation Rules – December 2014.
2. In line with its commitment to govern and uphold the integrity of the Nigerian financial market, the Central Bank of Nigeria (“**CBN**”) released a circular on July 12, 2016 mandating all deposit money banks in Nigeria, to participate only in commercial papers (“**CPs**”) registered and quoted on authorised securities exchanges. Following the issuance of the aforementioned circular, it became necessary for the Rules to be aptly renamed “**FMDQ Commercial Paper Registration and Quotation Rules**”, to reflect the new governance structure for CPs as introduced by the CBN.
3. Further to the above, FMDQ consulted with key stakeholders in the CP market to identify and address areas of the Rules that required clarification and expansion, where necessary. Consequently, the following amendments have been made to the Rules:
 - Distinction between registration requirements for CP Programmes and quotation requirements for CP Issues
 - Introduction of a validity period for CP Programmes
 - Provision for registration of multicurrency CP Programmes
 - Introduction of conditions for revision and renewal of CP Programmes
 - Distinction between documentation requirements for bank Issuers and non-bank corporate Issuers
 - Introduction of new templates in the appendices to the Rules*(See Appendix I below for summary of amendments)*
4. The amended Rules therefore serve as a specific reference point to prospective CP issuers, Sponsors and the investing public on the registration, quotation and post-quotation requirements for CPs sought to be issued in Nigeria and shall be read in conjunction with all relevant and applicable laws and regulation relating to the issuance of CPs in Nigeria.
5. The Rules shall take effect **immediately**.

Click [here](#) to view FMDQ Commercial Paper Registration and Quotation Rules.

Please be guided accordingly.

Should you have any further clarifications with respect to this Market Bulletin, please do not hesitate to contact the Market Regulation Group at mrq@fmdqotc.com.

APPENDIX I: SUMMARY OF AMENDMENTS

S/N	Issue	Summary
1.	Registration and Quotation Requirements	In line with the new governance structure, Part B provides the Registration Rules, while Part C outlines the Quotation and Post-Quotation Rules
2.	Multicurrency Commercial Paper Programmes	Section 3.1 (vii) makes specific provision for Multicurrency CP Programmes to be registered on the OTC Exchange. Provided that such CP Programmes shall be supported by the Issuer's foreign currency rating(s) and the CPs issued under the registered Multicurrency CP Programme are denominated in currency specified in the applicable pricing supplement.
3.	Validity Period for Commercial Paper Programmes	Section 3.2 (vi) of the amended Rules provides that CP Programmes shall be valid for three (3) years but may be extended subject to the provisions of section 6.1 of the Rules
4.	Renewal of Commercial Paper Programmes	Section 3.2 (vii) of the amended Rules provides that CP Programmes may only be renewed no earlier than three (3) months to the expiration of the validity period by the Issuer upon filing of necessary documentation as may be prescribed by FMDQ from time to time. Upon the expiration of the validity period, the CP Programme shall no longer qualify for a renewal, as such, the Issuer shall be required to commence a fresh Programme Registration process.
5.	Revision of Commercial Paper Programmes	<p>Section 6.1 introduces the concept of revisions of CP Programmes under the following circumstances:</p> <ul style="list-style-type: none"> (i) Where the Issuer seeks to increase the size of the Programme. (ii) Where the Issuer seeks to extend the validity period of the Programme. (iii) Such other circumstances as may be prescribed by FMDQ. <p>The method of revision of a registered CP Programme shall depend on the materiality of the consequential amendments to be made to the Offer Documents and other relevant transaction document. Section 6.3 outlines the permissible methods of revision of registered CP Programmes and these are as follows:</p> <ul style="list-style-type: none"> (i) Supplemental: This method is adopted where the revisions to the CP Programme are not significant, material or fundamental. Under this method, the Issuer executes a supplemental of the Offer Documents and other relevant transaction documents indicating changes that are to be made to the documents. The supplemental Documents shall be read in conjunction with each of the existing Offer Documents and other relevant transaction documents. (ii) Amendment and Restatement: This method is adopted where the revisions to the CP Programme are numerous, material, or there have been several supplementals already issued. Under this method, the Issuer executes an amended and restated version of the Offer Documents and other relevant transaction documents. Where this method is adopted, the amended and restated documents are stand-alone documents that reflect all changes made to the Offer Documents; the existing Offer Documents are revised in their entirety and as such are no longer operative.

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		<p>Section 6.4 further outlines the documentation to be filed along with an application for revision of a registered CP Programmes; these are as follows:</p> <ul style="list-style-type: none">(i) A copy of the resolution of the Issuer’s board of directors approving the revision of the CP Programme and consequential amendments to the Offer Documents and other relevant transaction documents.(ii) A confirmation letter by the credit rating agency that the revision of the CP Programme shall not impact the ratings of the Issuer and/or the CP Programme.(iii) Revised Offer Document and other relevant transaction documents or supplemental documents.(iv) A schedule highlighting the revision(s) made to the Offer Documents and other relevant transaction documents.(v) A confirmation of mutual agreement/consent to the revision by all transaction parties to the CP Programme.(vi) Such other document(s)/disclosure(s) as may be prescribed by FMDQ from time to time.								
6.	Documentation Requirements	<p>The table below outlines the amendments made to the Rules with respect to documentation requirements:</p> <table><tr><th>Old</th><th>New</th></tr><tr><td>Section 4.3 (xi): Required all Issuers to provide credit information reports (CIRs) obtained from CBN-licenced credit bureaux</td><td>Section 5.2 (xiii) (b): CIRs are now only required for non-bank corporate issuers</td></tr><tr><td>Section 4.4: Required bank internal rating reports on the Issuer to be provided</td><td>Section 5.2 (xiii) (a): This has been substituted with the requirement of bank references which are relevant only to non-bank corporate Issuers in the FMDQ-advised template (see Appendix VII of the amended Rules)</td></tr><tr><td>Section 4.4 (xii) and (xiii): Required all Issuers to provide full financial projections on the Issue, supported by reporting accountants’ report on the financial projections</td><td><p>Section 7.5 (i) and (ii): The amended Rules only require financial projections to be provided for non-bank corporate Issuers. However, the requirement for reporting accountants’ report has been expunged, and replaced by the requirement that the financial projections be certified by the internal auditor of the Issuer/Promoter and either of the chief executive officer or the chief financial officer or such other officers or persons performing similar functions in the organisation.</p><p>Alternatively, where the Issuer/Promoter does not provide the financial projections the</p></td></tr></table>	Old	New	Section 4.3 (xi): Required all Issuers to provide credit information reports (CIRs) obtained from CBN-licenced credit bureaux	Section 5.2 (xiii) (b): CIRs are now only required for non-bank corporate issuers	Section 4.4: Required bank internal rating reports on the Issuer to be provided	Section 5.2 (xiii) (a): This has been substituted with the requirement of bank references which are relevant only to non-bank corporate Issuers in the FMDQ-advised template (see Appendix VII of the amended Rules)	Section 4.4 (xii) and (xiii): Required all Issuers to provide full financial projections on the Issue, supported by reporting accountants’ report on the financial projections	<p>Section 7.5 (i) and (ii): The amended Rules only require financial projections to be provided for non-bank corporate Issuers. However, the requirement for reporting accountants’ report has been expunged, and replaced by the requirement that the financial projections be certified by the internal auditor of the Issuer/Promoter and either of the chief executive officer or the chief financial officer or such other officers or persons performing similar functions in the organisation.</p> <p>Alternatively, where the Issuer/Promoter does not provide the financial projections the</p>
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		<p>Issuer/Promoter shall be required to undertake that current back-stop facilities (the sum-total of which are of equal or higher value to the outstanding value of the CPs at all times) are in place for the entire period that the CP or CPs remain outstanding.</p>
7.	Other Notable Additions	<ul style="list-style-type: none"> ▪ Section 7.2 of the amended Rules introduces a requirement that the IPCA/IPA (i.e. the Sponsor to the Issue) provide the applicable pricing supplements for each CP sought to be issued, no later than forty-eight (48) hours prior to the opening of the offer/presentation of the pricing supplement to prospective investors ▪ In order to address concerns with respect to onerous documentation, FMDQ has amended to Rules to provide that requirements such as letter of expression of interest, general undertakings and declarations of compliance shall be filed to cover the Programme registrations, rather than Issuers having to file the same documents for each series under a registered Programme
8.	Templates and Appendices	<p>The following appendices have been included in the amended Rules</p> <ul style="list-style-type: none"> (i) APPENDIX V: ROLLOVER PROCESS (ii) APPENDIX VII: BANK REFERENCE FOR NON-BANK CP ISSUERS (iii) APPENDIX IX: ISSUER'S DECLARATION OF PRIOR DISCLOSURE (iv) APPENDIX X: LETTER OF EXPRESSION OF INTEREST (v) APPENDIX XII: ALLOTMENT REPORT