

August 20, 2014

FMDQ/RED/200814/MB-4

TO: ALL DEALING MEMBERS

REPORTING OF INACCURATE AND INCOMPLETE DATA

1. It has been observed through our reconciliation that some Dealing Members have been reporting inaccurate and incomplete data in respect of all the products traded in the FMDQ markets thereby distorting industry turnover data and the attendant analytics. Dealing Members are reminded that reporting of inaccurate and incomplete data is in violation of FMDQ Rules particularly the General Market Rules as well as the terms of the Dealing Membership Agreement. The Dealing Membership Agreement states as follows:

12. 2 In conducting business for itself or on behalf of its clients, the (Dealing) Member shall not engage in, or fail to take reasonable steps to prevent:

12.2.3 A fictitious transaction or any other false data to FMDQ or causing such data to be inputted into any FMDQ System by reporting such fictitious transaction or false data whilst knowing the transaction or data to be fictitious or false;

12.2.5 Any direct action or conduct that may mar the integrity and the transparency of FMDQ;

12.2.7 Creating a misleading or false appearance of the trading volume or liquidity of any Product.

2. Dealing Members are hereby cautioned that severe sanctions will be incurred for under-reporting/over-reporting of trade data. There will also be significant implications for incorrect reporting of trade data especially where the data reported has influenced FMDQ's decisions on matters such as Dealing Member rankings, league tables, application of rebates etc. All trade data reported to FMDQ shall be validated with alternate data sources such as the Central Bank of Nigeria (CBN) settlement data and data retrieved from FMDQ trading systems. To this effect, Dealing Members must ensure the accuracy of their reporting.

In addition to the above, it has also been observed that some Dealing Members have been persistently late in their submissions of weekly trade data and have not been reporting trade data using the approved template. All Dealing Members are hereby reminded that weekly trade data for all products traded must be submitted to FMDQ on or before 4pm of the first working day of the ensuing week as stated in the E-Bond Trading Infractions and Penalties Guide.

3. All trade data reported must be complete, accurate and submitted in the FMDQ-approved template and through the authorised medium. Dealing Members are hereby mandated to ensure strict compliance with all Rules, Guidelines, Bulletins, and Agreements and ensure that their sponsored individuals are educated of the consequences of non-compliance.

4. Dealing Members are also reminded of the obligation to ensure that all voice trades are reported on FMDQ-advised trading systems within 30 minutes of execution of every voice trade. (Refer to **MB-1: Reporting of Voice Trades** for full details.)
5. Failure to comply with the contents of this FMDQ OTC Market Bulletin will be considered a violation of the aforementioned Rules/Agreement and will incur one or more of the penalties stated in the Dealing Membership Agreement.

Please be guided accordingly.



Dipo Odeyemi

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<http://www.fmdgotc.com/regulation/market-bulletin/>