

# NSL OPERATIONS MANUAL



## NIGERIAN STOCKBROKERS LIMITED

(Trading Licence Holder)

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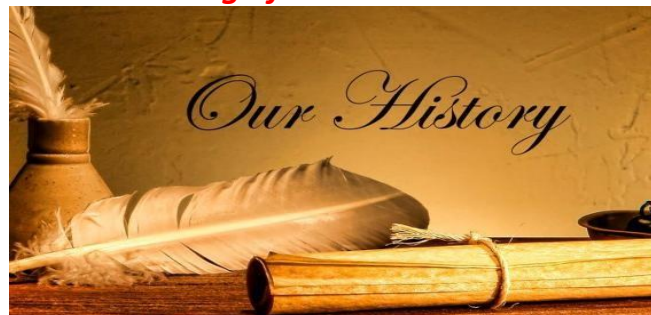
### Our Mission Statement

*“To be a dynamic stockbroking firm providing the best investment advice and qualitative services in the most effective and efficient manner using up to date market information, technology and committed staff to a select clientele”*

## 1. INFORMATION ABOUT NSL.

### 1.1 Incorporation and Activities

#### 1.2 The Making of a Pioneer:



Nigerian Stockbrokers Limited (“NSL”/“the Company”) was registered as a limited liability company under the Companies Ordinance (Cap. 38) on the 26th of September, 1960. Prior to the implementation of the Nigerian Enterprise Promotion Act, 1972 (“indigenization exercise”), NSL was wholly owned and managed by Financial Holdings Nigeria Limited (“FHNL”).

NSL was licensed by the Securities & Exchange Commission (SEC), the Apex regulatory institution in the Nigerian Capital Market, as Broker/Dealer, Issuing House and Corporate Advisers.

The Company obtained a Broker/Dealer license from the Securities and Exchange Commission (“SEC”) in 1995 and subsequently became an Authorized Dealer of the Nigerian Stock Exchange (“NSE”). NSL had a composite license for its business operations from the Securities & Exchange Commission (SEC).

Nigerian Stockbrokers Limited (NSL) is a first class Investment banking Group. The authorized and paid-up share capitals steadily increased over the years to meet both business and regulatory requirements. Since the Management Buy –Out in 2016, NSL has been modelled after major international investment banking institutions. The Company is ably managed by a team of time-tested and visionary professionals. It has since grown steadily in the various aspect of capital market operation and has NSL Capital Partners Limited as a subsidiary with operations in the Investment Banking and Capital Advisory space of the market.

NSL’s Corporate Head Office is located at Knight Frank Building, 6th floor, 24 Campbell Street, in the highbrow of the Central Business District of Lagos Island, Lagos State, which provides a

convenient environment for clients away from the busy city center; thus facilitating personalized and efficient service delivery to its numerous corporate and individual clients.

### 1.1.2 Establishment of Subsidiaries



Over the years, NSL has grown and become a multi-licensed financial services provider covering Investment Banking Services (Issuing House/Financial Advisory Services), Stockbroking including Portfolio Management as well as Investment Advisory Services.

#### 1.1.3 Separation of Licences

On 1st March, 2017, the Securities & Exchange Commission (SEC) approved the separation of the Issuing House and Stockbroking functions. Accordingly, NSL Capital Partners became the Issuing House and Financial Advisory Services subsidiary of NSL, while Nigerian Stockbrokers Limited (NSL) retained the Stockbroking functions. NSL now operates a Group structure comprising the following companies:

- ❑ Nigerian Stockbrokers Ltd (NSL)
- ❑ NSL Capital Partners (NCAP)
- ❑ NSL Enterprises & Real Estate Limited (NEREL)

### 1.2 NSL Activities:

#### 1.2.1 Stockbroking Services: Purchase and Sale of Shares

NSL’s primary responsibility is to deal in stocks and shares. In this regard, we deal in all securities quoted on the two equities markets in Nigeria namely The Nigerian Stock Exchange and NASD Plc – OTC Market. The Securities dealt in include Equities, Industrial Preference shares and Debenture Stocks, State and Federal Government Loan Stocks or Bonds. NSL’s activities in these areas include buying and selling of securities on behalf of individuals and institutional investors within and outside Nigeria.

#### 1.2.2 Portfolio Management Services:

As a pioneer and leading member of The Nigerian Stock Exchange and NASD OTC Market, we would use our wide exposure and experience in packaging and managing investment portfolios for the Bank or its customers. Our activities would cover selection of a mix of securities, valuation and monitoring of the performance of the securities in the client's portfolio which would be designed to meet the specific needs of the clients.

### **1.2.3 Investment Advisory Services:**

Our clients benefit from our Investment Advisory Services package which covers, essentially, professional advice on investment opportunities, timely purchase or sale of investments and the review of the existing investments. Our Investment Advisory Services would also include Investigation, Reconciliation and Recovery of outstanding, missing or unclaimed benefits (e.g. dividends, bonuses), if any, for the clients.

### **1.2.4 Proprietary Accounts**

NSL maintains two categories of Proprietary Accounts for investments and Trading in securities. The two types are as follow: Type 1 Accounts

This relates to investments made either in Nominee Names or in the Names of the Company. The investments in these categories of Accounts are for Strategic and Income making purposes.

Type 11 Accounts

These are for short term investments mainly for trading in the securities purchased. The Investments are usually made therefore in Nominee names.

### **1.2.5 Brokers to Companies:**

NSL acts as stockbrokers to companies raising funds from the Capital Market, either through Offer for Sale, Offer for Subscription, Listing by Introduction or Rights Issues.

### **1.2.6 Transfer of Stock and Shares:**

NSL handles nominal transfer of shares between the following categories of shareholders:

- Individual who are blood relations
- Individuals and corporate organizations
- Foreign technical partners of multi-national corporations.
- Foreign and domestic companies.

### **1.2.7 Trading in Securities:**

This will involve the selection of aggressive shares with high potentials for capital gains and advising the Bank or its customers on when to buy and sell such shares in order to realize the accretion on the securities, by way of capital gains and maximize returns on the investments.

## **TYPES OF ACCOUNTS**

NSL operates two types of share purchase accounts through which its stockbroking activities can be accessed: The following are the two (2) types of share Purchase Accounts for Investment purposes':

- Direct Name
- Nominee platform (Nominee Services)

### **1.2.8. a. Direct Name**

This would allow an investor to purchase and hold investments in either personal or corporate name. Under this service, we would place our professional experience, which spans over 55 years behind the investor in executing their mandates, both in the primary and the secondary markets through dedicated, experienced professionals and robust IT infrastructure. Upon satisfying our account opening requirements, the investor would become the legal and beneficial owner of the account. Some of the benefits to be enjoyed by the investor under this General Platform include the following:

- Direct access to our Investment Analysts and Investment Advices
- Access to daily Stock Market Report
- Online real-time access to Share Purchase Accounts and Portfolios
- In addition, the investor would benefit from our recovery services

### **1.2.9 b. Nominee Services:**

NSL operates Nominee services for the following categories of Nigerians who either due to their residence outside the country or nature of work, cannot be personally involved in the purchase, sales /or monitoring of their investments.

- Those serving in foreign missions abroad
- High net-worth individuals
- Institutional investors

NSL makes investments on nominee basis on behalf of these categories of clients through the allocation of account codes to each client. Periodically, statements of such investments are sent to the clients for their information and records.

### **1.2.11 Securities Perfection:**

NSL handles perfection of the securities provided by the borrowing customers of the Bank as collaterals. We also carry out reconciliation and recovery services in respect of trapped investment.

### **1.2.12 Trade Smart Services:**

NSL provides clients with the opportunity to buy, sell quoted securities and monitor their investments from the comfort of their offices and from any part of the world in real-time.

- Control over placement and execution of mandates by clients
- Real time access to market data about information on bid and ask prices and quantities of securities
- Reduction of latency i.e. time of execution of mandates, as clients can place their orders directly
- It also enhances investors' education and knowledge of the Stock Market.

## **2.0 OPERATIONS MANUAL/STOCKBROKING PROCEDURE**

The followings are the step by step procedures that are followed by Nigerian Stockbrokers Limited in its daily activities for the following:

### **Sales Procedure**

- 1.1 For Share Certificates
  - 1.1.1 Customer deposits Share Certificates with completed and signed Share Transfer Form for stocks in certificate form.
  - 1.1.2 Customer's identity is verified using International Passport, Driver's License and Standard National Identity Card.
    - 1.1.3 Script receipt issued for Certificates
    - 1.1.4 The Certificates are registered in the Jobbing Book.
    - 1.1.5 Certificates are covered with letter and delivered to Registrar for signature verification.
    - 1.1.6 Registrars verifies signature and advises Central Securities Clearing System. If signature is not verified certificate is returned to NSL for delivery to customer who should acknowledge the collection of the certificate on the jobbing register.
    - 1.1.7 NSL collects copy of treated verification letter from CSCS as advised for verified stocks
    - 1.1.8 Outcome of verification noted in Jobbing Book and updated on the computer Verification Register. Customer completes sale order form indicating units of stock to be sold. Sale order form is approved by the managing Director.
    - 1.1.9 Verified stock or Stock in the Depository is sold at The Nigerian Stock Exchange.
    - 1.1.10 Orders for Sale are executed at the Best Market Price or the Price stated by the clients
    - 1.1.11 Client is immediately notified by the Dealer of the Price at which the transaction was consummated.
    - 1.1.12 Sale Contract Note generated by Dealer
    - 1.1.13 Client account credited with proceed

- 1.1.14 Cheque issued by Accounts Department
- 1.1.15 Issued cheque registered in cheque Register
- 1.1.16 Cheque collected by shareholder
- 1.2 For Depository
  - 1.2.1 Sales order Form is completed and signed for stock in the Depository.
  - 1.2.2 Customer's identity is verified using International Passport, Driver's License and National Identity Card.
  - 1.2.3 Verified stock or stock in Depository is sold at The Nigerian Stock Exchange.
  - 1.2.4 Sale Contract Note generated by dealer
  - 1.2.5 Client account credited with proceed
  - 1.2.6 Cheque issued by Accounts Department
  - 1.2.7 Issued cheque registered in Cheque Register
  - 1.2.8 Cheque collected by shareholder

## 2.0 Purchase Procedure

- 2.1 Customer deposits Cheque or Bank Teller
- 2.2 Receipt issued for deposits
- 2.3 Customer completes Account Opening Form (if a new customer)
- 2.4 Customer completes Purchase order form indicating stock preference
- 2.5 Account opened on NSL InfoWARE software
- 2.6 Share Purchase Form approved by Managing Director, NSL
- 2.7 NSL complete CSCS Client Maintenance Form
- 2.8 Account opened at CSCS (if a new customer)
- 2.9 Dealer buys shares from the market directly into customer's account.
- 2.10 Signed Transfer Form completed for each stock and sent to Registrars
- 2.11 Orders for Purchase are executed at the Best Market Price or the Price stated by the clients
- 2.12 Client is immediately notified by the Dealer of the Price at which the transaction was consummated.

For registration, Certificate request form completed and submitted for customers who desire certificates.

- 2.11 Purchase Contract Note generated
- 2.12 Customer's deposit account is debited on the computer
- 2.13 CSCS and Share Purchase accounts generated.
- 2.14 Share Certificate is delivered on receipt to the customer who will acknowledge receipt by signing the certificate register

## 3.0 **Public Issues**

- 3.1 Customer collects Application Form duly stamped with NSL stamp
- 3.2 Completed application form is submitted to NSL
- 3.3 Payment made and receipt issued
- 3.4 Application and payment registered in New Issue Ledger
- 3.5 Returns made to Issuing House not later than two weeks after date of Closure of the issue

## 4.0 **Axholme Nominees Limited**

- 4.1 Clients complete a Nominee Form and Account Opening form (if a new customer) indicating share preference.
- 4.2 Accounts code is allocated from code register
- 4.3 Cash/Cheque deposited and receipt issued.
- 4.4 Nominee Account, Dividend Income Account and Shareholding/Bonus Account opened on the system.
- 4.5 Purchase Order Form completed by NSL
- 4.6 Managing Director approves purchase Order Form
- 4.7 Dealer buys stock directly into customers account with CSCS
- 4.8 Contract Note is issued
- 4.9 Customer Share Purchase account is debited
- 4.10 Statement of Share Purchase Account generated
- 4.11 Dividend and bonuses are received and registered
- 4.12 Dividend and bonuses accounts credited with dividend and bonuses.

## 5.0 **Stock Trading Procedure (Before going to Stock Exchange Floor)**

- 5.1 Sales/Purchase Orders collected from clients
- 5.2 Verify depositors balance for purchase or CSCS balances for Sales
- 5.3 Update the Jobbing Book on the systems.
- 5.4 Sales/Purchase approved by various line Officers/Managers.
- 5.5 Sales/Purchase effected on the floor at NSE via ATS
- 5.6 Trading activities and Price movements schedule generated
- 5.7 Customer Deposit Account debited for purchases and credited for sales
- 5.8 Sales Contract Notes handed over to Accounts Unit for payment while Purchases Contract Notes are given to clients

## 6.0 **Accounting Procedure**

### 6.1 New Customer

New Client's accounts are opened with the minimum specified amount while Nominees Accounts (Axholme) are opened with the minimum specified amount of cash. The entries passed on receipt of the money.

DEBIT BANK ACCOUNT

CREDIT SHARE PURCHASE ACCOUNT

All cheques receipt banked or Transfer of funds monitored prior to purchase.

### 6.2 Existing Customer

Whenever an existing customer makes additional deposit, the amount is credited to the individual client's account to increase the balance on the Account.

DEBIT BANK ACCOUNT

CREDIT SHARE PURCHASE ACCOUNT

### 6.3 Purchase of Share on behalf Customer

Customer's respective Share Purchase Accounts will be reduced to the tune of consideration and Transactions cost. The consideration and various transaction costs will be recognized as follows:

DEBIT CUSTOMER SHARE PURCHASE ACCOUNT

(CONSIDERATION PLUS TRANSACTION COSTS WILL BE DEBITED TO CUSTOMER'S ACCOUNT)

CREDIT SEC FEE

CREDIT CONTRACT STAMP

CREDIT BROKERS COMMISSION

CREDIT NSL JOBBING (IF IT IS A CROSS DEAL)

CREDIT TRADING ACCOUNT (IF IT'S BOUGHT FROM OTHER HOUSES AT THE FLOOR)

**The Software, InfoWARE, calculated and added all charges in the case of Purchases.**

### 6.4 Sales of Shares on behalf of Customer.

Two types of clients' accounts are involved when shares are sold, they are

- a). Customer Share Purchase Account (for regular clients)
- b). Temporary Clients Accounts (for one-off clients –mainly selling clients/walk –in clients).

The sale proceeds less transaction cost will be credited to increase the balance in the Share Purchase Account as the case may be.

The consideration and transaction cost are recognized as follows:

DEBIT NSL JOBBING (IF IT'S A CROSS DEAL)

DEBIT TRADING ACCOUNT (IF IT'S SOLD TO OTHER HOUSES AT THE FLOOR)

CREDIT CONTRACT STAMP

CREDIT BROKERS COMMISSION

CREDIT CSCS CHARGES

CREDIT NSE CHARGES

CREDIT CUSTOMER SHARE PURCHASE ACCOUNT

(THIS AMOUNT IS CONSIDERATION LESS TRANSACTION COST PAYABLE TO CUSTOMER)

**The Software, InfoWARE, calculated and deducted all charges in the case of sales.**

#### 6.5 Payment for Shares Sold

Payment voucher is raised duly checked and signed

Crossed cheque for the amount is raised in the customer's name except otherwise instructed by the client

The cheque must be signed by two authorized signatories

The following accounting entries are raised for posting:

DEBIT CUSTOMER SHARE PURCHASE ACCOUNT

(THIS AMOUNT IS CONSIDERATION LESS TRANSACTION COST PAYABLE TO CUSTOMERS)

CREDIT BANK

#### 6.6 Payment for Expenses

All expenses must be backed up with supporting documents and vouchers which must be appropriately approved by the Managing Director before they are processed for payment.

6.6.1 Payment voucher is raised duly checked and signed. A crossed or opened cheque for the amount is raised in the supplier's name. The cheque must be signed by two authorized signatories

The following accounting entries are raised for posting:

DEBIT APPRIOPRIATE EXPENSE GENERAL LEDGER LINE

CREDIT BANK

#### 6.6.2 Nse/Cscs Charges

On receipt of the NSE and CSCS notification of charges:

- Check them for correctness
- Relate the amount to the NSL transaction within the period
- If the charges are correct, process the cheque payment

DEBIT APPROPRIATE EXPENSE ACCOUNT

CREDIT BANK - with the amount of the bill/charges.

Send cheque to the Exchange or CSCS and obtain receipt to acknowledge the receipt of the cheque.

#### 6.7 DEPRECIATION EXPENSES

At the end of each month depreciation is charged on fixed asset.

The following accounting entries are raised for posting:

DEBIT DEPRECIATION ACCOUNT

CREDIT ACCUMULATED DEPRECIATION

#### 6.8 Collection of Money for Annual Subscription

A new account is created in respect of respect of the issue where all monies collected will be posted pending remittance to the Issuing House or Registrars.

Entries for money collected are:

DEBIT BANK

CREDIT NEW ISSUES

At the end of issue, the return will be rendered to the issuing house and the New Issue Account created is expected to end up with a nil balance and closed passing the following entries:

DEBIT NEW ISSUE

CREDIT BANK

#### 6.9 Accruals and Provisions

At the end of the month appropriate accruals in respect of income and expenses are recognised

#### 6.10 Management of Deposit

NSL operates a deposit account with the Treasury Department of STERLING Bank PLC.

On each deposit, or roll over, ensure that appropriate deposit advice is received. On receipt of the advice, check that: Appropriate amount, rates, tenor and deposit type is reflected in the advice

Raise the following entries:

DEBIT: DEPOSIT ACCOUNT WITH STERLING

CREDIT: CASH OR BANK WITH THE AMOUNT DEPOSITED

This account should be reconciled monthly and interest accruals taken on monthly basis in line with Accounting Policy of NSL.

#### 6.11 Reconciliation and Preparation of Management Account

At the end of the month all operating bank accounts must be reconciled to the general ledger balances.

The reconciliation statement should be reviewed and approved by the Chief Financial Officer of NSL or any officer designated for the assignment.

All outstanding items should be investigated and cleared within two working days.

All stale Cheque should be transferred to stale cheques accounts.

Management account is prepared monthly based on standard accounting principles.

The management accounts should be copied to the line Directors of the company or any line supervisor or Director.

### 7.0 **Know-Your-Client (KYC)**

The following principles are the business practices of NSL and we ensure that:

- NSL makes a reasonable effort to determine the true identity of all customers requesting the Company's services by ensuring that Know Your Customer (KYC) processes are followed.
- Account opening procedures require proper identification of every customer at the time account relationship is established.
- NSL always endeavour to identify, isolate and report suspicious transactions in line with existing regulations/laws.
- There are established internal training programs towards continuous training and development of staff.

In this regard, the adoption of an effective 'Know Your Customer' policy which is aimed at enhancing the Company's ability to detect suspicious activities by customers in a timely manner is followed. This also facilitates easy compliance with relevant regulatory requirements.

#### 7.1 Check Lists / General Requirements for Investment Account Opening

(A) Corporate Account

1. Duly completed Investment Account Opening Form stating the following:

- Name of the Company / Business
- Business Address

2. Certificate of Incorporation or Registration of Business Name

3. Duly certified copy of Articles and Memorandum of Association of the Company / Enterprise

4. C.A.C form showing the list and particulars of Directors certified by C.A.C

5. C.A.C Form on return of allotment of shares showing share structure, certified by C.A.C
6. Purpose and reason for opening the account or establishing the relationship
7. Expected origin of the funds to be used during the relationship
8. Board Resolution approving the opening of the Investment Account
9. Recent Signature mandate of the Company
10. Recent passport photographs of at least two (2) of the Company's Directors or Signatories to the account
11. Personal Data form for the Directors or Signatories to the account
12. Evidence of identification (International Passport, Driver's Licence or National Identity Card) of at least two (2) of the Company's Directors or Signatories to the account
13. Confirmation of address through Public utility bill receipt e.g. Electricity /Telephone/ Water Bill of the Company.
14. Bank Verification Numbers (BVN) of the Directors.

#### (B) **Individual Account**

1. Duly completed Investment Account Opening Form stating the following:
  - Name
  - Residential Address
  - Mother's maiden name
  - Particulars of Next of Kin (Name, Address, Passport photograph & Means of Identification of Next of Kin)
  - Employer's name and address or vocation and place of business
  - Purpose and reason for opening the account
  - Source of income and expected origin of the funds to be used during the relationship
  - Place of domicile
  - Home town / State of origin
  - Signature
2. Recent passport photograph (for a joint account, one passport photograph each for each of the of signatories)
3. Evidence of identification including, International Passport, Driver's Licence or National Identity Card
4. Recent passport photograph and evidence of identification of the next of kin
5. Confirmation of address – Public utility bill receipt e.g. Electricity /Telephone/ Water Bill of the prospective Client.
6. Bank Verification Number and Account Number.

#### (C) **Estate Accounts**

1. Duly completed Investment Account Opening Form stating the following:
  - Name of the Estate Account
  - Names of the Executors /Administrators or Administratrix to the Estate
  - Particulars of the Executors / Administrators to the Estate (Name, Address, Passport photograph & Means of Identification of the Executors / Administrators)
  - Place of domicile
  - Signature of the Administrators
2. Duly certified letter of Probate /Administration from a Court of law
3. Death Certificate of the deceased
4. Newspaper publication of the death of the deceased
5. Confirmation of address of the Executors, Administrators and the Estate – Public utility bill receipt e.g. Electricity /Telephone/ Water Bill of the prospective Client.
6. Banker's confirmation of the signatures of the Executors / Administrators to the Estate.

### **8.0 Know your Employee (KYE)**

As a measure to confirm information on every newly recruited employee of the Organization, certain information are sought from such employee while the Organization also goes further to get a third party view or confirmation of the claims made by such employee. Some of the measures employed towards knowing the Employee include the following:

**Personal Data Form**

Employees are made to fill Personal Data Form containing personal Information about the respective Staff. Where need arises, addresses presented by candidates are visited for confirmation of claim.

- Bank Verification Number and Bank Account Number.

**Medical Records**

All employees are required to undergo medical check to determine the state of health of the employee at the time of engagement.

**Previous Employer's Report**

Opinions and Confirmation of claims on previous employment are sought from previous employers.

**Individual Referees Opinion**

Reference Forms are sent to the individual or personal referees presented by the employee.

**VERIFICATION OF ACADEMIC/ PROFESSIONAL CERTIFICATES**

ORIGINAL Certificates claimed by the employees are sighted, while the institutions attended are written for further confirmation.

**Police Character Report**

All employees are made to undergo Police scrutiny to confirm involvement in any criminal activity in the past as well as preservation of particulars of the candidate in the Police record bank.

**Staff Training**

The Company has a training calendar which contains all training programs for employees of the Company. This document is used by the Human Resource department as a guide for training each employee.

Under the policy of the Company, employees are entitled to two training per calendar year, either local or foreign, apart from specific on the job training programs

### **Recent Developments in the Market**

As part of its oversight function on the development of the Capital Market, the Securities & Exchange Commission issued a directive to all shareholders to ensure that all share certificates in the hand of investors should be dematerialized on or before January 2013.

#### 1. DEMATERIALISATION

**Regulation on dematerialisation**

According to the Securities and Exchange Commission, all share certificates dematerialised on or before January 1, 2013 were to be at no cost to the shareholder, but certificates dematerialised after this date may be at a cost. Accordingly, allotment of shares following public offerings shall henceforth be by electronic processes that will domicile shareholding directly with the Central Securities Clearing system (CSCS). "However, should a shareholder insist on being issued a share certificate, despite its disadvantages, a certificate shall be issued, in accordance with sections 146 and 147 (1) of the Companies and Allied Matters Act (CAMA)".

According to SEC Rule 345: An entity may offer or transfer its securities electronically, except where investor elects to have the certificate instead. ISA section 55 provides that securities registered by the commission may be issued or transferred electronically or by any other means or system approved by the commission.

How does a Shareholder dematerialise their shares?

The process of Share Dematerialisation

The dematerialisation process necessitates

- An Investor to open a Stockbroking Account with CSCS through an appointed Stockbroker.
- This will be done after the shareholder has fulfilled the KYC requirements of the stockbroking firm..
- The shareholder can submit their share certificates to the Stockbroker for dematerialisation.
- The shareholder will be required to complete the Dematerialisation Form/execute a verification/share Transfer Form which is then forwarded with the share certificates alongside other operational documents to the Registrar for verification of signature
- Upon certification that the details and signature provided by the shareholder are correct, the share certificates are verified by the Registrar
- The share certificates verified by the Registrar are then sent to CSCS in an electronic format via the Data Exchange Platform operated by CSCS.
- CSCS updates the shareholder's account with the corresponding securities and units
- Shareholders can request for a CSCS statement of account detailing the shareholding position and the corresponding units from the Stockbroker.
- The account can also be accessed securely online.

### **Direct Cash Settlement**

Direct cash settlement is a process where cash proceeds from trades executed by brokers on the Exchange settles directly into investors' bank account. It starts when a client gives his broker the mandate to sell his or her shares. Once those shares are sold, payment is made directly into the client's account.

As stated in the Process Flow

Client is to complete the Direct Cash Settlement Form by providing the following information on the CSCS Database which must be the same with the client's Bank details:

- Client's Full Names
- Date of Birth
- Residential Address not P.O.BOX
- Phone Numbers
- E-mail Address
- Mother's Maiden Name
- CSCS Account Number
- CSCS Clearing House Number
- Bank Name
- Bank Account Number
- Bank Verification Account Number (BVN)

- Upon the completion of the DCS Form, the Broker upload to the NIBSS Portal the information provided by the client.
- The Broker scanned the completed DCS Form to the CSCS for the confirmation of the information provided
- CSCS confirms and advise the Broker.
- The Brokers update its records and set up the client for DCS

#### **Purchase Process**

- Investor gives mandate to Broker
- Investor moves fund to account with Broker
- Broker confirms amount credited with order placed
- Order executed either at the NSE floor or via remote Trading
- Broker advises client on the execution of the order
- Alert is sent by The CSCS to the buyer of securities
- At T+3 securities are credited to investor's Account
- CSCS advises Banks/NIBSS on Brokers cash settlement details.

#### **Sales Process**

- Client mandates Broker to sell securities
- Order executed either at the NSE Floor or via remote Trading
- Broker advises client on the execution of the order
- Alert is sent by The CSCS to the seller of the securities
- At T+3 funds is credited directly to client's account by the CSCS.

The company put in place several policies as guide to the operation of the various procedures. These include:

1. Compliance Policy
2. Chinese Wall Policy
3. Risk Management Policy
4. Investment Policy
5. Information Technology Policy
6. Business Continuity and Disaster Recovery Plan
7. Business Plan and Strategy
8. Best Execution Policy
9. Complaints Management Policy
10. Error Limit Policy
11. Fraud Detection and Prevention Policy
12. Inter-Member Transfer Policy
13. Internal Audit and Control Policy
14. Related Parties Policy
15. Anti-Money Laundering Policy
16. Surveillance Policy

17. Vendor Management Policy
18. Human Resources Policy
19. Data Protection Policy
20. Whistle Blowing Policy

### **Further Updates**

This will be provided in line with new developments in the market and / or new rules are introduced to the market that necessitates reviews

This manual has been Reviewed and Approved by the Board of Director of Nigerian Stockbrokers Limited at its meeting held.

This 28<sup>th</sup> Day of March, 2026.



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Company Secretary

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Director