



# NIGERIA COMMODITY EXCHANGE

Bank of Agriculture Plaza, Plot 180 Independence Avenue, CBD, Abuja

## NIGERIA COMMODITY EXCHANGE SERVICE CHARTER

Membership is the starting point of the Exchange’s operations. The purchase of application form and initial processing starts at the Membership Department. Trading Members are corporate entities. The Commodity Broker is an Authorized Representative/Dealing clerk of the trading member who has been trained and certified to trade. The Investors Protection Fund (IPF) resides in the Exchange while the Settlement Guaranteed Funds resides with the Clearinghouse.

S/N	SERVICES	ACTIVITIES /PROCESSES	TIME LINES
1	<b>Membership registration</b>	<b>Purchase of Membership Application Forms:</b> The application forms for various categories of membership viz: Broker Dealer Member, Dealer Member and Broker Member shall be at the Membership Department of the Exchange. Payment shall be made through REMITTA portal of the Federal Government.	
		<b>Screening and Processing of Application Forms:</b> The relevant officer(s) in the department would receive, register and ensure that all applications come with the appropriate documents. Those applications that cannot be processed based on missing document would be kept in a file pending when the applicants will submit the relevant documents after notification.	<b>7 working days</b>
		<b>Prospective Member Firms/Companies</b> The desk officer must ensure that all firms seeking admission into various categories of membership comply with the following:  -The Managing Director of the company and at least two (2) staff are well experienced in commodity trade.  -The firm must meet SEC requirement on minimum Share capital prescribed for its category of membership	<b>2 working days</b>

		<ul style="list-style-type: none"> <li>-The firm submits certified true copies of Forms CAC-MISC02 (Application for accreditation of Insolvency Practitioners) and CAC 7 (Appointment of Directors)</li> <li>-The firm must submit its MEMART</li>   <li>-There must be a Board Resolution authorizing it to register with the Exchange</li>   <li>-Submission of 3-Year Audited Annual Accounts and Reports or Statement of Affairs</li>   <li>-There must be evidence of SEC registration</li>   <li>-Submission of Exchange Membership forms in duplicates with relevant passport photographs affixed on them where and when appropriate</li>   <li>-The firm <b>must not</b> have been adjudged insolvent, bankrupt or placed under receivership for any reason by any court of law</li>   <li>-Letter of Undertaking to abide by the Rules and Regulations of the Exchange</li>   <li>-Minimum of two certified brokers has to be registered with the Exchange</li>   <li>-The firm must not have been suspended by any Exchange</li>   <li>-Submission of company profile</li>   <li>-Evidence of contribution to Industrial Training Fund (ITF), Tax Clearance Certificate, and enrolment of company staff in Pension scheme must be submitted by prospective members</li>   <li>-Submission of certified true copies of membership form</li>   <li>In addition, <b>Authorized Representatives (Dealing Clerk)</b></li>   <li>The desk officer must ensure that person(s) seeking registration as an authorized representative of a prospective member company possess the following qualifications:</li>   <li>-He must be qualified commodity or stockbrokers.</li> </ul>	
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	<ul style="list-style-type: none"> <li>-He must not be less than twenty-one (21) years of age</li> <li>-He must not have been involved in any criminal act</li> <li>-He must be well experienced in security and/or commodity trading</li> <li>-He must have at least First Degree or its equivalents</li> <li>-He must currently be a staff of the sponsoring firm</li> <li>-He must have resigned formally his appointment with other firms with which he had worked in the past.</li> </ul>	
	<p><b>Screening of Prospective Members:</b></p> <p>The department screens prospective members, carry out background checks on them and ensure that persons of questionable character are not admitted as members of the Exchange. Preliminary risk management checks conducted on prospective members includes obtaining police report on them.</p>	<b>5 working days</b>
	<p><b>Communication of noticed Deficiencies to Prospective Members:</b></p> <p>Membership Department would communicate electronically any noticed deficiency to prospective member for them to make amends</p>	<b>1 working day</b>
	<p><b>Pre-Licensing Inspection of Facilities and Record:</b></p> <p>It is also the responsibility of the department to conduct pre-license inspection of the offices of the prospective member companies and forward its report to the Membership Sub-Committee of the Board</p>	<b>3 working days</b>
	<p><b>Consideration of Processed Applications by the Board:</b></p> <p>The schedule officer in the Membership and Compliance Department will diligently process the applications and send appropriate copies to the Board through the Membership and Sub-Committee for consideration and approval.</p>	<b>10 working days</b>

	<p><b>Provisional Admission:</b></p> <p>On receipt of the approved list from the Board through the Membership Sub-Committee, Membership and Compliance Department will send the names to the Legal Department for communication of such approvals to those affected.</p> <p>Provisional Trading License is offered contingent on payment of Trading License Fee and Settlement Guarantee Fee (SGF)</p>	<p><b>1 working day</b></p>
	<p><b>Granting Full Operating License:</b></p> <p>Based on the report forwarded to the Membership Sub-Committee in of the Board, the Board will direct the Legal Department to issue operating license to successful applicants, which will be signed jointly by the Managing Director and the Company Secretary under the seal of the Exchange.</p> <p>On receipt of the names of Licensed Members from the Legal Department, Membership and Compliance Department will register them according to the category of membership for which they have been licensed.</p>	<p><b>10 working day</b></p>
	<p><b>TOTAL</b></p>	<p><b>40 working days</b></p>