

CSDs: CSCS (Nigeria)

Date: 20 Jan 2011

SMI Markets: Nigeria

CMIRR Markets: Nigeria

Suspension of Brokerage Firms

The Nigerian Stock Exchange (NSE) has decided to suspend 57 brokerage firms, effective from 19 January 2011, for failing to hold a minimum capital base of NGN 70 million. Nevertheless, the suspended participants have been allowed to maintain their licenses, and will be able to resume trading if they comply with Securities and Exchange Commission (SEC) regulation. To see the list of suspended firms, click here: [NSE List of Suspended Brokers](#).

CSD Risk Impact

CSCS (Nigeria)

CSD Rating: A-

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A-

Flash Impact = Positive

The NSE's decision to suspend these brokers is a step in the right direction as it assures that firms have the financial capability and soundness required to participate in the market. Thus, the impact for counterparty risk has been set as 'Positive'.

Market Information Impact

Nigeria

This information affects the data contained in the Stock Market sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Nigeria

CSD Rating: A-

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = BBB

Flash Impact = Positive

The NSE's decision to suspend these brokers is a step in the right direction as it assures that firms have the financial capability and soundness required to participate in the market. Thus, the impact for counterparty risk has been set as 'Positive'.

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