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N I G E R I A N E X C H A N G E G R O U P

NGX Regulation Limited · NGX RegCo

Report on

Disclosure Violations

and Regulatory Sanctions

REPORTING PERIOD

January 2025 – February 2026

1. REGULATORY FRAMEWORK AND DISCLOSURE OBLIGATIONS

This report examines the enforcement actions taken by **NGX Regulation Limited (NGX RegCo)** against listed companies regarding disclosure violations and breaches of corporate governance standards during the 2025–2026 period. The regulatory authority for these sanctions is derived from **Appendix III: General Undertaking (Equities)**, the **Rulebook of The Exchange 2015 (Issuers' Rules)**, and **Circular No. NSE/LARD/LRD/CIR3/17/05/12** concerning the publication of announcements or press releases via the Issuers' Portal.

The framework serves a dual purpose: enabling the Nigerian Exchange to maintain an orderly, transparent market and ensuring that shareholders' interests are protected through equitable access to information. Pursuant to these regulations, all listed entities are strictly required to obtain prior written approval from NGX RegCo before publishing any announcements that may affect shareholders' interests, whether in the media or on the official Issuers' Portal.

Furthermore, the **Rulebook of The Exchange 2015** mandates that companies disclose all material information to the Exchange and incorporate such information into their Annual Reports to maintain the highest standards of transparency.

2. ANALYSIS OF REGULATORY BREACHES (2025 – 2026)

An analytical review of the enforcement data in **Schedule 5** reveals a concentrated pattern of regulatory non-compliance during the reporting period. The breaches are categorised into two primary technical violations:

- **Insider Dealing during Closed Periods:** This category constitutes the vast majority of enforcement actions. Out of 12 sanctioned companies, 11 (approximately 92%) were cited for insider dealing in shares during a Closed Period – a breach of Rule 17:18: Period of Closure. This high frequency suggests a systemic weakness in the internal controls of listed issuers regarding the management of sensitive information and the enforcement of trading blackouts.
- **Unauthorised Publication of Announcements:** This breach involves the dissemination of information without mandatory prior approval. FCMB Group Plc was the sole entity sanctioned for unauthorised publication of an announcement.

The prevalence of violations related to **Rule 17:18: Period of Closure** indicates that while companies generally adhere to the procedural requirements of announcement publications, there is a widespread failure to prevent trading during prohibited windows. This trend highlights a disconnect between the

regulatory requirement to include disclosure information in Annual Reports and the actual execution of internal compliance programmes.

3. CHRONOLOGICAL RECORD OF SANCTIONS: 2025

The following table details the enforcement actions executed by NGX RegCo during the 2025 calendar year.

COMPANY	NATURE OF BREACH	SANCTION	DATE
Aradel Holding Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	17 Feb 2025
ABC Transport Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	20 Feb 2025
Secure Electronics Tech. Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	25 Feb 2025
Cutix Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	28 Feb 2025
Haldane McCall Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	16 Apr 2025
FCMB Group Plc	Unauthorized Publication of an Announcement	Caution Letter	18 Jun 2025
Meyer Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	21 Oct 2025

4. CHRONOLOGICAL RECORD OF SANCTIONS: 2026

The following table summarises the enforcement actions taken by NGX RegCo during the early months of 2026.

COMPANY	NATURE OF BREACH	SANCTION	DATE
Mutual Benefits Insurance Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	15 Jan 2026
Austin Laz & Company Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	16 Jan 2026
Sterling Financial Holdings Co. Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	23 Jan 2026
Tantalizers Plc *	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter / MCT	10 Feb 2026

COMPANY	NATURE OF BREACH	SANCTION	DATE
NPF Microfinance Bank Plc	Insider Dealing – Rule 17:18: Period of Closure	Caution Letter	17 Feb 2026

** The sanction for Tantalizers Plc represents an escalated enforcement action compared to the standard Caution Letter.*

5. SUMMARY OF ENFORCEMENT ACTIONS

Throughout the 2025–2026 reporting period, NGX RegCo primarily utilised the “**Caution Letter**” as its standard disciplinary instrument. This tool was applied across both categories of violations, including unauthorised publications and breaches of Rule 17:18: Period of Closure.

A notable exception was the sanction issued to **Tantalizers Plc**, which received a “**Caution Letter / MCT.**” In a regulatory context, MCT (Management Compliance Tracking/Meeting) signifies an escalated enforcement posture, typically involving direct management intervention or enhanced monitoring of the firm’s compliance activities.

Despite the volume of breaches identified, the regulatory response remained largely at the ‘Caution’ level. However, the high frequency of identical violations regarding Rule 17:18: Period of Closure demands a comprehensive review of issuer compliance programmes. For the NGX RegCo mandate to remain effective, issuers must reinforce their internal controls to ensure that information is disclosed in a timely, authorised manner, and that the integrity of the market is protected from the risks associated with insider dealing.

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