



CHARTERED INSTITUTE OF STOCKBROKERS

(Chartered by Act 105 of 1992)

MEMBERSHIP RULES AND REGULATIONS 2021

July 8, 2021



CHARTERED INSTITUTE OF STOCKBROKERS

(Chartered by Act 105 of 1992)

MEMBERSHIP RULES AND REGULATIONS 2021

TABLE OF CONTENTS

REGULATION 1: THE MEMBERSHIP REGULATION

AND CODE OF CONDUCT 4

1.1 Citation, Commencement and Application 5

1.2 Membership Standards 5

REGULATION 2: MEMBERSHIP 6

2.1. Classes of Membership 6

2.2. New Applications 6

2.3. Membership Benefits 6

2.4. Requirements 7

2.4.1. Student Membership 7

2.4.2 Membership Progression 7

2.4.3 Graduate Membership 8

2.4.4 Associate Membership 8

2.4.5 Fellow Membership 8

2.4.6 Honorary Fellow Membership 9

2.4.7 Life Membership 9

2.5 Annual Subscription, Dues and Fees 10

2.6 Refusal of Membership 11

2.7 Resignation from Membership or Student Register 12

2.7.1 Notice 12

2.7.2 Fees and Subscription 12

2.7.3 Outstanding Disciplinary Matters 12

REGULATION 3: REPORTING 12

3.1.1 Introduction 12

3.2 Reliance on Current Membership List: Obligation
on Members to Update their Records 13

3.3 Personal Data 14

3.4 Important Changes 15

3.5 Consequences of Failure of Reporting 15

TABLE OF CONTENTS

REGULATION 1: THE MEMBERSHIP REGULATION

AND CODE OF CONDUCT 4

1.1 Citation, Commencement and Application 5

1.2 Membership Standards 5

REGULATION 2: MEMBERSHIP 6

2.1. Classes of Membership 6

2.2. New Applications 6

2.3. Membership Benefits 6

2.4. Requirements 7

2.4.1. Student Membership 7

2.4.2 Membership Progression 7

2.4.3 Graduate Membership 8

2.4.4 Associate Membership 8

2.4.5 Fellow Membership 8

2.4.6 Honorary Fellow Membership 9

2.4.7 Life Membership 9

2.5 Annual Subscription, Dues and Fees 10

2.6 Refusal of Membership 11

2.7 Resignation from Membership or Student Register 12

2.7.1 Notice 12

2.7.2 Fees and Subscription 12

2.7.3 Outstanding Disciplinary Matters 12

REGULATION 3: REPORTING 12

3.1.1 Introduction 12

3.2 Reliance on Current Membership List: Obligation
on Members to Update their Records 13



REGULATION 1: THE MEMBERSHIP RULES AND REGULATIONS

The contents of these Membership Rules and Regulations serve as a guide to members of the Institute, who are required to observe these regulations as a condition for membership.

The Membership Rules and Regulations together with the CIS Act Cap C9 Laws of the Federation of Nigeria, 2004 will guide members not to engage in practices that could amount to professional misconducts in the performance of their duties; while the non-observance of these guidelines may result in disciplinary actions if a member is found guilty of misconduct.

The Institute is of the opinion that a high standard of professional conduct is best maintained by such provisions made herein, but is not confined to the specific areas outlined in this document.

Members should operate with integrity in their professional practice, business and financial relationships; and objectivity is essential for any professional person exercising professional judgment.

In view of these developments, the Institute through its Council, reserves the right to add to and vary from time to time, these Membership Rules and Regulations.

The Institute is empowered through an Investigating Panel and Disciplinary Tribunal to demand from its members, a strict compliance and maintenance of high standards of professional conduct.

29th day of April, 2021

1.1 Citation, Commencement and Application

- (a) These Rules and Regulations may be cited as the Chartered Institute of Stockbrokers' Membership Rules and Regulations 2021 and shall become effective on 29th of April, 2021
- (b) These regulations shall apply to all Members, Graduates and Registered Students and, to the extent that they are relevant, to all members, Graduates and Registered Students.

1.2 Membership Standards

- (a) In line with the provisions of CIS Act Cap C9 Laws of the Federation of Nigeria, 2004, the Institute is concerned with setting, raising, and promoting standards within the Securities and Investment industry through certification and Continuing Professional Development programmes in order to maintain the competency of members and the financial markets community.
- (b) The Institute is a professional membership organisation for individuals engaging in a broad range of securities and investment activities within the financial services industry. Applicants seeking to become members of the Institute must first satisfy the membership requirements.
- (c) In consideration of the Institute vetting an application and (where applicable) registering an applicant as a member, each applicant agrees to comply with the provisions of the CIS Act Cap C9 Laws of the Federation of Nigeria, 2004, Membership Rules & Regulations, Code of Ethics and Standards of Professional Conduct, and any such amendment and/or addition that may be made by Council from time to time and as a condition of membership, members agree to abide by the aforesaid instruments.

1.3 GENERAL

The CIS ACT and applicable Rules & Regulations and Code of Ethics for the time being in force shall apply to each member on, and following his admission and, insofar as the CIS Act, bye-laws and such Rules and Code of Ethics provide, following his ceasing to be a member. In addition, the CIS Act and applicable bye-laws, Rules and Code of Ethics shall similarly apply to each person who undertakes or agrees to be bound by them.

REGULATION 2: MEMBERSHIP

2.1. Classes of Membership

The Institute has the following categories of membership:

- (a) Honorary Fellow, (HFCS),
- (b) Fellow Member (FCS),
- (c) Associate Member (ACS),
- (d) Specialised Professionals Certification (SPC) member,
- (e) Graduate Member
- (f) Student Member and
- (g) Life Member.

2.2. New Applications

- (a) An applicant must file an application form for admission to the respective class of Individual Membership.
- (b) All sections of the application form must be fully and accurately completed. An application form must be accompanied by payment of an appropriate fee where required.
- (c) All membership applications are put forward to the Membership Committee for consideration and recommendation, except for applications for Honorary Fellowship & Fellow Membership which are processed and recommended by the Board of Fellows. All membership applications are approved by the Governing Council.

2.3. Membership Benefits

- (a) An Associate Member, Fellow Member and Honorary Fellow Member will receive a membership certificate, a seal and a plaque upon admission. For avoidance of doubt, the membership certificate, seal, plaque and a practising license are properties of the Institute and the Institute has the right to demand the return of the said documents from time to time especially when a member ceases to be a member having been found guilty of infamous/professional misconducts. Nevertheless, a member is entitled to hold the aforesaid documents and tools, as long as he or she remains a member and duly pays his or her annual subscription fees.
- (b) Different classes of members enjoy different membership rights, benefits and privileges, which include: voting, the use of the Institute's

professional membership designation and certificate, practising license, seal, plaque and other items of a similar nature, discounts on membership services and access to education materials, programme updates, Institute's information and documentations. These may be varied from time to time and duly communicated to members.

2.4. Requirements

2.4.1. Student Membership

Requirement for Student Membership

- (a) A minimum of University first degree/HND in any discipline or recognised professional qualifications approved by Council.
- (b) Birth certificate or Age declaration, Curriculum Vitae, Passport photograph with white background.
- (c) For change of name:
 - On account of marriage
 - Other reasons, the following documents should be submitted:
 - i Marriage certificate (only on account of marriage)
 - ii Newspaper publication
 - iii Sworn affidavit

Student members shall not be entitled to receive notice of or attend and vote at any general meetings of the Institute, and shall not be elected into the Governing Council.

2.4.2 Membership Progression

- (a) Individual members may apply for progression within the membership structure if they meet the membership requirements of the class to which they are eligible to progress. Members may be required to pay a progression fee approved by the Council.
- (b) Where membership requirements state that a specified number of years of relevant industry experience is required, an application will not normally be considered until the full term of those years of experience have been completed.
- (c) Applications for progression to Associate Membership will be considered throughout the year. Graduate Members are required to submit their applications by completing the application form and paying the appropriate fees.

- (d) Applications for progression to Fellow Membership will be considered throughout the year. Associates Members applying for progression to Fellow Membership must file their application forms and pay the appropriate progression fee.
- (e) The power to approve Honorary Fellow Membership resides with the Governing Council. Suitable persons/applicants will be recommended by the Board of Fellows to the Council for the conferment of Honorary Fellow Membership.

2.4.3 Graduate Membership

A student member may only progress to become a Graduate Member after he has successfully completed and passed the prescribed Institute's professional examination at all levels but is yet to be inducted as an Associate Member of the Institute.

2.4.4 Associate Membership

A Graduate Member may apply to progress to Associate Membership upon completion of the required examination and subject to Council's approval. The criteria for applying for Associate of the Institute are as follows:

- (a) The student must have passed the prescribed examinations
- (b) All students of the CIS Professional Examination shall undergo three (3) months internship in a Stockbroking firm or other relevant corporate organization acceptable to the institute, before or after the final examination, before being admitted as an Associate.
- (c) Applicant must be in good financial standing with the institute
- (d) Applicant must complete and submit the completed form, evidence of payment and other required documents to the Institute.

2.4.5 Fellow Membership

- (a) An Associate Member may apply for election as Fellow Member of the Institute, subject to the Board of Fellows' approval. The requirements are as follows:
 - i. Minimum of five years as an Associate
 - ii. Minimum of ten years from the date of attaining the Graduate status.
- (b) Fellow Members shall be entitled to receive notice of or attend and vote at any General meetings of the Institute. They shall be eligible to be elected into the Governing Council.

2.4.6 Honorary Fellow Membership

- (a) The admission of Honorary Fellow is at the sole discretion of the Governing Council, upon the recommendation of the Board of Fellows. All members in good financial standing, Council Committees and other organs of the Institute can make nominations through the secretariat to the Board of Fellows.

A Nominee for CIS Honorary Award must satisfy the following conditions:

- i He or She must have made an outstanding contribution to the Securities and Investment profession and/or the finance or business world, and/or have achieved professional or academic prominence in CIS-related disciplines and/or have made a significant contribution to the furthering of the work of CIS.
 - ii He or She must, in the eyes of the Council, command sufficient influence nationally or internationally, to contribute significantly to the Institute's objective by reason of his experience, position or eminence he or she must be a person of integrity, as the choices we make should reflect the values of the institute.
 - iii In view of the outstanding contributions to the development of the capital market and the strategic relationship between the Institutions, Presidents and CEOs of recognised exchanges, and DGs of Securities and Exchange Commission should be considered for Honorary Fellowship during their tenure.
 - iv Honorary Members/Fellows will be expected to have on-going and lasting relationship with the institute by continuing to identify with the institute, for instance, by attending the institute's events and participating in fund raising activities.
- (b) Honorary Fellows shall not be entitled to receive notices of or attend and vote at any General meetings of the Institute. They shall not be eligible to be elected to the Governing Council of the Institute.

2.4.7 Life Membership

A member may be admitted as Life Member after meeting the following conditions:

- (a) He or she must be a Fellow or Associate of the Institute.
- (b) Fellows applying for Life Membership shall pay a sum equivalent to

ten (10) years' cumulative Membership Fees, while Associates shall pay a sum equivalent to fifteen (15) years' cumulative Membership Fees.

- (c) Membership Fees are defined as all approved mandatory annual payments due from a member to the Institute as at the date of the application.
- (d) The applicant must be in good financial standing with the Institute as at the time of applying.
- (e) Fellows and Associates who are sixty-five (65) years old and above and are in good financial standing may pay a sum equivalent to 50% (i.e. half) of the normal Life Membership fees, subject to having been in the register of members for at least 10 years.
- (f) The applicant must have a clean character record with the Institute.
- (g) Life Membership will be withdrawn at any time if the holder is indicted of crime or brings the Institute to disrepute in any way.

2.5 Annual Subscription, Dues and Fees

- (a) The Council may make rules prescribing the amount and date for payment of the annual subscription and annual renewal of a studentship and for such purpose, different amounts may be prescribed by the rules for a fellow, member, associate, honorary member, honorary fellow or student of the Institute;
The application fees and annual membership subscription for different classes of membership as may be reviewed from time to time as approved by Council are available and obtainable from the Membership department of the Institute.
- (b) That a member's annual due be payable on or before 31st of March every year.
- (c) That the annual subscription of a Nominee for election to Council, his/her sponsor, seconder and two supporters, including annual subscription for the election year be payable on or before 31st of January of the election year.
- (d) The Institute will take action against a member who fails to pay his/her membership fees on time. A Member may be suspended from membership after six months and delisted from the register of members after one year, if any sum shall remain unpaid from the date in which it became due to the Institute.

- (e) When a Member is suspended or delisted from the Register of Members or name has been removed from the relevant part of the membership register, all membership rights, benefits and privileges will be withdrawn. These include, but are not limited to voting, the use of the Institute's professional membership designation and certificate, practicing license, seal, plaque and other items of a similar nature, discounts on membership services and the access to education materials, programme updates, Institute information and documentation.
- (f) A person whose name is removed from the register in pursuance of a direction of the tribunal or delisted for been a debtor member shall not be entitled to be registered again except in pursuance of a direction in that behalf given by the Tribunal on the application of that person and fulfil all the membership requirements applicable at the time of re-application.
- (g) If for any reason the Institute decides to reinstate a member whose name is removed from the register in pursuance of a direction of the tribunal or delisted then such reinstatement will be on the terms notified by the Institute, and will include at a minimum that the member pays any fees that were outstanding as at the time of membership termination.

2.6 Refusal of Membership

- (a) The Council may refuse to approve an application on one or more of the following grounds:
 - i The applicant is not sufficiently able to meet the Institute's minimum operating standards of professional conducts.
 - ii The applicant does not have sufficient experience to meet the Institute's standards.
 - iii The information submitted, or statements made, by the applicant in the application is either untrue or inaccurate.
- (b) The decision of the Council in refusing to approve an application based on any one or more of the grounds under Rule 2.6 (a) above is final, conclusive and binding on the applicant and the Council may not be obliged to explain or justify any such decision.

2.7 Resignation from Membership or Student Register

2.7.1 Notice

- (a) Any member wishing to resign his membership, or seeking removal from the register of students, shall send a written notice to the Council through the Registrar, and on its acceptance, his membership shall cease or, as the case may be, he shall cease to be a Registered Student and his name shall be removed from the relevant register.
- (b) A member leaving the services of an employer must fully disclose the status of its clients. Similarly, the employer should within two weeks be able to give a full confidential report on the member to concerned parties.

2.7.2 Fees and Subscription

Any individual giving notice of his intention to resign from membership or seeking removal from the student register shall remain liable to pay any subscription or other sums due from him at the date the relevant notice is accepted.

2.7.3 Outstanding Disciplinary Matters

An individual's notice of resignation or notice seeking removal from the student register, shall not be accepted, and the individual shall accordingly not cease to be a member or, as the case may be registered student, where there is a complaint in respect of him or of a relevant firm in relation to which he is a specified person, until such time as the matter has been finally disposed, of and the amount of any fine or costs specified in a disciplinary order made in respect of him or such relevant firm has been paid in full.

REGULATION 3: REPORTING

3.1 Introduction

Each prospective student member or registered member agrees to permit the Institute to approach and contact all relevant bodies and their personnel department to verify and check the truth and accuracy of the information submitted by such prospective student member or registered member. Provision of untrue or incorrect information to the Institute may result in an

application for registration as a student member or any application of a registered member being refused or disciplinary action being taken against the relevant member under this Regulation and in line with the Disciplinary Tribunal Rule in force at the time of such fraudulent misrepresentation.

A member must advise the Institute of any matter(s) which may have bearing on his or her suitability to remain as member of the Institute. A member shall consult the Institute in case of doubt. A member must promptly advise the Institute of changes of any personal information he or she have submitted to the Institute in connection with the application or at any other time, and without limitation any changes to his or her contact information, correspondence addresses and/or employment information.

Each member warrants and undertakes that all information he / she provides to the Institute is at all times true, accurate and not misleading in any material respect and he / she shall immediately inform the Institute if the information ceases to be true and accurate, or becomes stale or misleading.

It shall be for every member and for any person to bring to the attention of the Registrar of the Institute, facts or matters indicating that a member or registered student is, or may have become liable to disciplinary action; and in any such case, the Registrar shall lay the facts and matters before the Investigating Panel.

3.2 Reliance on Current Membership List: Obligation on Members to Update their Records

The Registrar of the Institute shall make available to all members and the general public at a reasonable cost if necessary, a list of all members of the Institute, and shall keep every member advised, by amendments to the list or otherwise, of all new members and of all new suspensions, cancellation, resignation of membership and removals from the relevant part of the Register. Each member shall be responsible for providing such information as current employment, phone number, residential and mailing address. For the purpose of complying with pertinent rules, a member shall be entitled to rely on the information provided by the Institute.

Where a member fails to notify the Institute about a change of contact information such as residential address, office address, email and phone number within 180 days, such a member will be liable to pay an initial fine of N20, 000, and thereafter N5, 000 every month, until the information is provided.

Information to the Institute regarding change of contact can be sent to the Institute through multiple channels including official letter, email and through the Institute's website.

3.3 Personal Data

- (a) Personal data held by the Institute relating to a prospective student member student member and registered members shall be kept confidential but the Institute is authorized to collect and use such personal data which the afore said have members provide to it for the following purposes:
 - i evaluation of membership applications;
 - ii provision of membership services including courses, events, examinations, seminars, timely updates and other services;
 - iii research or statistical analysis;
 - iv promoting and/or providing services made available by the Institute or such third parties as determine by the Institute;
 - v maintaining membership records;
 - vi promoting ethics and best practices;
 - vii disciplinary actions;
 - viii otherwise carrying on its business, or any other related purposes
- (b) All prospective student member, student member and registered members hereby explicitly authorise and consent to such use. Each of the afore-mentioned members agree that the information provided can be used and transferred by the Institute to its personnel as required by their job roles and that the Institute, subject to the relevant law, and can additionally provide and transfer this information to third party service providers, whether within or outside Nigeria, in connection with the above purposes. By applying to become a member and becoming a member, the prospective student member, student member and registered members hereby explicitly consent and agree to all such provisions and transfers.
- (c) The Institute undertakes to treat the prospective student member, student member and registered members' personal data seriously and complies with its obligations under the General Data Protection & Regulation (GDPR) and Nigeria Data Protection & Regulation (NDPR)
- (d) All prospective student member, student member and registered

members have the right to access and request amendment to the personal data the Institute holds on them at any time. All enquiries regarding personal data should be in writing to: The Registrar & Chief Executive.

3.4 Important Changes

- (a) Any changes in circumstances or the occurrence of events that may affect a member's suitability to remain a member, however trivial they may appear to the member, must be reported in writing, except where such disclosure is prohibited by law, and in confidence for the attention of the Registrar as soon as the member becomes aware of such changes in circumstances or the occurrence of events. The Registrar will decide whether the information, if known at the time of the prospective student member's application of admission to the Institute, would have affected the outcome of his or her application for registration.
- (b) Disciplinary matters affecting a member's suitability to remain a member that must be reported under these Rules and Regulations include but are not limited to the following, except where such disclosure is prohibited by law:
 - i the issue of any warrant of arrest, the laying of any charge by any enforcement body of the Nigerian Government or commencement of any criminal proceedings; or
 - ii any punishment or reprimand imposed by any regulatory body, whether or not publicly announced.

3.5 Consequences of Failure of Reporting

Failure to report a matter that could affect a member's suitability to remain on the Institute's register of members will, in itself, be regarded as a serious breach of the Rules and could lead to disciplinary action taken by the Institute against the member.

- (a) Not establish or connive with his employer, to establish fictitious accounts in order to execute transactions, which otherwise, would be prohibited, or to disguise transactions which are against the regulatory institutions' guidelines.
- (b) Not transact business on discretionary accounts in excess of, or without written authority from customer.

- (c) Not execute transactions which are unauthorized by customers; or send contract notes, in order to cause customers to accept transactions not initially agreed upon.
- (d) Not unilaterally back out of a transaction validly done with a member or non-member.
- (e) Not use, or borrow customers' funds or securities without the customers' written authority.
- (f) Not forge, misstate material facts, manipulate or deceive in order to gain personal advantage.
- (g) Not recommend the purchase of securities, or the continuing purchase of securities in amounts, which are inconsistent with the reasonable expectation that the customer has the financial ability to meet such a commitment.
- (h) Not make use of any price-sensitive information not available to other members for personal or official advantage.
- (i) Nor maintain a stockbroking account with other firms without prior written approval or disclosure of such account to his/her employers. Members are permitted to maintain a personal trading account only with their employer stock broking firm.
- (j) Not misuse, manipulate or indulge in non-disclosure of material information on operation to his/her advantage, or in order to derive some benefit or avoid liability for his/her employer.
- (k) Not engage in running down competitors through deliberate misinformation.
- (l) Not indulge in deliberate rendition of inaccurate returns to the regulatory authorities with intent to mislead.
- (m) Respect the confidentiality of information entrusted to them by a client. Therefore, members shall not disclose any information to a third party without specific authority from the client, except under the following conditions:
 - i The client is known to have committed a criminal offence.
 - ii Disclosure is reasonably necessary to protect the interest of the member to sue for his/her commissions or defend actions instituted against the Member.
 - iii The Member is required to disclose such information by due process of the law.

REGULATION 4: COMPLIANCE WITH SECURITIES & INVESTMENT RULES AND PRACTICES

A Member who takes investment actions and makes investment recommendations on behalf of clients must observe all relevant Securities and Investment rules and regulations in Nigeria including but not limited to the following:

- (a) Not practise as a stockbroker unless he is certified by the CIS and being an employee/attaché/agent of a recognised Dealing Firm.
- (b) Not practise as a stockbroker without being in good financial standing with the Institute.
- (c) Not trade in quoted securities outside the recognized trading platforms/markets.
- (d) Must observe high standards of commercial honour, just and equitable principles, expected of a professional in the conduct of his business.
- (e) Not allow personal interest to override clients' interests, in the performance of his professional duties.
- (f) Not give priority to transactions where he is a beneficial owner over client and employer's transactions.
- (g) Not buy or sell securities from; or to a client at prices different from that in which the securities were traded in the market on the date of the transaction.
- (h) Not make a secret profit for himself or his employer.
- (i) Use reasonable diligence, to obtain the best market for the subject security, and Buy or Sell in such a market, so that the resultant price to the customer is as favourable as possible to the customer under prevailing market conditions.
- (j) Not affect any transaction in, or induce the purchase or sale of, any security by means of any manipulative, deceptive, or other fraudulent device or contrivance.
- (k) In recommending to a customer the purchase, sale, or exchange of any security, have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs.

REGULATION 5: CONTINUING PROFESSIONAL DEVELOPMENT (CPD) POLICY

5.1. Introduction

CIS members are required to practice strictly within their area of competence and to maintain and enhance this competence. They therefore have the responsibility to keep abreast of developments and knowledge in their areas of expertise in order to maintain their competence.

In addition to maintaining their own competence, they are expected to contribute to the advancement of the body of knowledge with which they practice, and to the profession in general.

In order to ensure that members are perceived to be competent by the public, which would play a significant role in maintaining the reputation of the profession, the Council of the Institute developed a policy on Continuing Professional Development (CPD).

5.2. CPD Cycle

The CIS CPD programme started on 1st January, 2011 and runs in three-yearly cycles. Every member participates in the same three-year cycle at the same time. The first cycle ran from 1st January, 2011— 31st December, 2013.

5.3. Minimum Annual Requirements

Every member of CIS is required to complete a minimum of 30 points CPD from Formal Training activities of CIS in any one calendar year (1st January— 31st December).

The compulsory 30 points in a year are sub-divided equally into three:

- a) **Formal CIS organised Training:** This attracts a minimum of 10 points. On the average, CIS organised Training lasts for about 7 hours (from 9.00am to 5.00pm). This attracts a maximum of 5 points for a one-day Training programme. If the Training is for 2 or more days, it attracts a maximum of 10 points.
- b) **Semi-Formal Training:** This attracts a maximum of 10 points. It includes other non-CIS organised formal Training programmes and such other formal activities of the Institute.
- c) **Others:** This attracts a maximum of 10 points. It covers all other activities that contribute to a member's professional development, but

fall outside the definition of Formal CPD. It normally comprises General Reading and Research (e.g. relevant articles from Nigerian Stock broker, SEC Journals, business pages of Newspapers and Magazines). One hour reading attracts a maximum of 0.5 point while two hours reading attracts a maximum of 1 point.

5.4. Interpretation Guidelines for Semi Formal Training

S/N	Programme	Average Duration	CPD Points Earned
i.	Council meetings	2 to 3 hours	1 point
ii.	Committee meetings	2 to 3 hours	1 point
iii.	Annual Conference	a whole day	3 points
iv.	AGM	2 to 3 hours	1 point
v.	National Workshop	7 hours	3 points
vi.	Brunch	2 to 3 hours	1 point
vii.	SEC CMC	2 to 3 hours	1 point

5.5. Minimum and Maximum Number of Formal Hours per Event

An event must be for a minimum of one hour in duration (excluding travelling time and breaks) to count for formal CPD. The maximum number of formal hours that will be awarded for any single event, activity or topic is 10 hours. This is to ensure that members achieve their CPD hours and enhance their knowledge across a range of topics rather than just one or two.

5.6. Surplus Points

Surplus points may not be carried from one three-year cycle into another.

5.7. Examples of Formal CPD

Some examples of activities normally expected to come within the definition of Formal CPD are as follows:

- i Relevant seminars run by the Institute
- ii Relevant in-house training programmes
- iii Relevant Seminars/meetings of other professional bodies.
- iv Regulation and Compliance training
- v Relevant and approved online training courses
- vi Securities and Investment/Capital Market seminars
- vii Finance Bill seminars

- viii Product training (formal training session, as opposed to a more social ‘product launch’ situation)
- ix Training in computerised fact-find systems
- x Research/preparation for lecture presentation
- xi Lecture /training presentation (only the first presentation of a lecture will earn credit).

5.8. Excluded Activities

The following are examples of activities not considered to be either formal or informal activities, in that they do not meet the criteria, and are therefore excluded from counting towards CPD:

- i Study or exam preparation. Credit is awarded on successful completion of relevant examinations in the year the final examination result is issued.
- ii Normal working activities (other than research associated with a particular project that is relevant)
- iii General software/application training (e.g. Microsoft Excel, Access etc)
- iv Sales (techniques) training.
- v General communications training
- vi ‘Soft-skills’/General training (such as programmes or courses on telephone techniques, customer care, time management etc)
- vii Product launches or other primarily social occasions (formal product training may earn credit)
- viii ‘Motivational’ seminars.

The above lists of formal, informal and excluded activities are not exhaustive. Where an individual is unsure as to whether or not an activity will count towards CPD, how many hours will be awarded for an activity or into which category of CPD an activity should fall, he should fill a Formal CPD Request Form and send to the Institute.

5.9. Annual Returns

Members are required to participate in CPD activities and to complete a CPD Annual Declaration Form and the CPD Personal Record Form annually and return the completed forms to the CIS Secretariat before 31 January of the following year. Members who have satisfactorily completed the programme with minimum of 30 points CPD shall be awarded a CPD Certificate before the end of the first quarter of the following year.

5.10. Eligibility

CPD is compulsory and is applicable to all members whether in practice, industry, commerce, education, the public sector or any other field. Every member of the Institute (Graduate, Associate or Fellow) is obliged to fully participate in the CPD programme and comply with all of its requirements.

5.11. Process of Renewal of membership

A member who does not meet the CPD requirements will be referred to the Governing Council for direction. Possible actions that may be taken by the Institute against them are listed below.

5.12. Penalty for Non-compliance

Any member who:

- i fails to complete the required amount of CPD in any given year or three-year cycle and/or
- ii fails to make an annual declaration and/or
- iii fails to co-operate when spot-checked and/or
- iv fails to pay late penalty fees

Will be deemed to be in breach of the CPD programme requirements and (by definition) in breach of one of the primary conditions of membership which may result in either/or any of the following:

- (a) In collaboration with all recognised stock exchanges and trading platforms, defaulters would not be allowed to sponsor trainees on the floor of stock exchanges.
- (b) Members who are not CPD compliant would not be eligible for election to Committee or Council of the Institute.
- (c) Defaulters would be deprived of some privileges such as signing application forms for members at any level (Graduates, Associates, or Fellows).
- (d) CPD points would count in the renewal of practicing licenses.
- (e) Membership suspension clause would be the last option.

REGULATION 6: PROFESSIONAL CONDUCT, DISCIPLINE AND APPEALS

6.1 Disciplinary Proceedings

Any member subject to disciplinary process shall:

- (a) Have the right to be given notice of any disciplinary proceedings which it is proposed should be brought against him.
- (b) Have the right to be legally represented at any such disciplinary proceedings.
- (c) Have the right to call and cross-examine any witness at such disciplinary proceedings.
- (d) Have the right of appeal against any disciplinary order made against him, to the Federal High Court.

6.2 Authority to Discipline

- (a) The Institute's authority to discipline members derives from the provision of the CIS Act Cap C9 LFN, 2004 and members' agreement, at the time of making their membership applications, to be bound by these Rules and Regulations and all additional Rules or amendments that may be made by Council from time to time, for so long as they are members of the Institute. These documents detail the minimum standards of behaviour expected from members at all times.
- (b) The power to investigate and discipline members rests with the Investigating Panel and Disciplinary Tribunal of the Institute respectively as established under Section 10 of the Act. Liability to Discipline

6.3 Liability to Disciplinary Proceedings

Any failure by a member to comply with any instruction issued by the Council shall be considered to be a further breach of these Rules and Regulations and will result in further disciplinary action being taken against such member in accordance with the disciplinary processes of the Institute.

A member or registered student shall, subject to the CIS Act, bye-laws and regulations, be liable to disciplinary proceedings if:

- (a) in the course of carrying out his professional duties or otherwise, has been guilty of misconduct.

For the purposes of these regulations, misconduct includes (but not confined to) any act or default likely to bring discredit to the member in

question, his employer or the Institute. The fact that a member or registered student has before a court of competent jurisdiction in Nigeria or in a superior court of any country whose judgments are in the opinion of the Council relevant, pleaded guilty to, or been found guilty of any offence discreditable to him, or derogatory to the Institute or the Stockbroking profession, or has in any civil proceedings before any court of competent jurisdiction in Nigeria, or in a superior court of any country whose judgments are enforceable in Nigeria, been found to have acted fraudulently or dishonestly, shall be conclusive proof of misconduct.

- (b) he has performed his professional work or the duties of his employment negligently, to such an extent or on such number of occasions as to bring discredit to himself, to the Institute, to his employer, or to the profession.
- (c) he has committed any breach of the Charter or any bye-law or regulations made under them in respect of which he is bound.
- (d) he has been disciplined by any other professional body recognized by statute or pursuant to some other disciplinary process.
- (e) he is a “specified person” in relation to a corporate body against which a disciplinary order has been made and which has become effective or which has been disciplined by a regulatory authority or pursuant to some other disciplinary process.
- (f) in the case of a Stockbroking firm or other body corporate, any member has in the course of business of that firm committed any breach of the Charter, bye-laws or regulations made under them in respect of which he is bound.
- (g) he has made an assignment for the benefit of creditors, or has made an arrangement for the payment of a compensation to creditors, or has had an interim order made by the court in respect of him, or is a specified person in relation to a firm which has made such an assignment or compensation or been wound up, or entered into a voluntary arrangement, administration or liquidation, or other similar or analogous event has occurred in relation to him under applicable legislation.
- (h) he has failed to satisfy a judgment debt without reasonable excuse for a period of three months (and the fact that he did not have sufficient funds to discharge the debt shall not be a reasonable excuse for this purpose) whether or not the debt remains outstanding at the time’ of

- the bringing of the disciplinary proceeding hereunder
- (i) he does anything contrary to the Stockbrokers' Oath of Allegiance to which he had subscribed.
 - (j) He engages in activities considered to be injurious and/or detrimental to the interest of the Institute.

6.3.2 A complaint of misconduct against a securities and investment firm shall be deemed to be a complaint against all registered members of the Institute working in such firm, at the material time.

6.4 Obligation to Co-Operate and Inform

- (a) Every member or registered student shall use his best endeavours at all times to co-operate with the Council, the Investigating Panel and the Disciplinary Tribunal in the administration of the Institute's disciplinary process.
- (b) It shall be for every member and for any person to bring to the attention of the Registrar, facts or matters indicating that a member or registered student is, or may have become liable to disciplinary action; and in any such case, the Registrar shall lay the facts and matters before the Investigating Panel.

6.5 Suspension from Membership:

- (a) A member may be suspended from membership of the Institute in line with the provision of the Disciplinary Tribunal Rules.
- (b) During the membership suspension period, the member's right to use the Institute membership designations, to apply for renewal and to apply for progression will be withdrawn.
- (c) Suspended members are not allowed to attend the annual general meeting or other general meetings, and will not be permitted to vote.
- (d) Following the expiration of the suspension period, the member concerned will need to file a written request for membership reinstatement. The reinstatement is subject to the Disciplinary Tribunal's endorsement and the settlement of all dues by the member.

6.6 Removal from Membership or from Student Register

- (1) Non-payment of sums due to the Institute may warrant removal of name(s) from the relevant part of the register of members or student member.

- (a). Subject to the remainder of Rule 6.6 (1) (a) below, a member or registered student shall cease to be a member or, as the case may be, registered student if any sum shall remain unpaid after 31st of March every year when it was due to the Institute.
The Council may in its absolute discretion, either on its own volition or on
- (b). the application of the individual concerned, suspend the operation of Rule 6.6 (1) (a) above where it is of the opinion that it is reasonable to do so.
- (c). Rule 6.6 (1) (a) above shall not apply to an individual where a complaint in respect of him or his firm in relation to which he is a specified person has been referred to the Investigating Panel or Disciplinary Tribunal, until such time as the complaint is finally disposed of and all applicable appeal periods have expired.
- (d). Where a disciplinary order has been made by the Disciplinary Tribunal against a member or registered student, he will automatically cease to be a member if he fails to pay when due any amount imposed by way of a fine or costs pursuant to that order. Provided that Council may at its absolute discretion and on such terms as it deems fit agree to defer the due date for payment on the application of the member prior to such date it is of the opinion that such deferral is appropriate in all the circumstances.
- (e). The Institute shall be entitled to recover the amount of any fine or costs which an individual has been ordered to pay pursuant to a disciplinary order from that individual and his personal representatives, notwithstanding that he has ceased to be a member or registered student howsoever that may have occurred.

(2) Bankruptcy

If an individual is adjudged bankrupt he shall, unless the Council otherwise direct, automatically cease to be a member or, as the case may be, a registered student, on the expiry of three months from his becoming so liable, or on the expiry of such extended period as the Council may in its absolute discretion fix.

6.7 Re-Admission to Membership or to Student Register

- (a) Any former Member or Registered Student may apply for readmission as a member or registered student. Such application should be made in the same manner as an original application and will be considered in the same manner as an original application, and will also be considered by the membership committee in the ordinary way, but having regard to the circumstances of his/her having ceased to be a member or registered student.

However, where the Member or Registered Student ceased to be a member or registered student pursuant to an order or direction of the Disciplinary Tribunal, application for readmission must comply with the provisions of section 11 (9) of the CIS Act Cap C9 LFN, 2004.

- (b) No former Member or Registered Student who has had a disciplinary order made against him excluding him from membership or as the case may be, removing him from the student register, and prohibiting him from applying for readmission to membership or, as the case may be, seeking restoration to the student register, for a specified period may do so prior to the expiration of such period.

6.8 Conflict/Dispute Resolution

- (a) Conflicts/Disputes relating to professional conduct between members shall be settled internally before resorting to external settlement. Thus, the settling of such disputes on the pages of Newspapers, the Law courts or through other avenues without exhausting existing internal organs available in the Institute constitutes misconduct and will attract disciplinary action against the member who initiated such action.
- (b) Members' grievances should be channelled to the Institute through the Registrar in writing.
- (c) Upon receipt of such complaint, the Registrar shall refer same to the appropriate committee as appointed by the Council, within 2 weeks.
- (d) The Conflict/Dispute Resolution Committee shall thereafter inform the parties concerned of the case before it, fix a date for hearing and resolve the issues.
- (e) The recommendation of the committee shall be submitted to the Council and copies kept in the Institute's archives.

6.9 Communication with the Institute

- (a) Communication between the Institute and its members must conform to the principles of openness, integrity, objectivity and respect. The Institute is committed to being transparent and responsive to its members by providing timely, accurate, clear, objective and complete information about its policies, programs, services and initiatives.
- (b) CIS member are in turn expected to channel official communication with the Institute through approved channels such as official letter or email. Communication via social media shall not be considered official communication.
- (c) In all cases, communication with the Institute must be truthful, ethical, and demonstrate respect for the Institute and the profession.

6.10 Interpretation

- (a) In these regulations, unless the contexts otherwise require;

Institute: Chartered Institute of Stockbrokers

Charter: Chartered Institute of Stockbrokers Act 105 of 1992

Council: The Governing Council of the Institute from time to time constituted in accordance with the Act.

Firm: a stockbroking firm, investment banking, advisory, asset management etc. and includes any other body corporate operating within the Financial Services Industry.

Recognised Market: Refers to a regulated platform where legal trading activities occur.

Member: means any person including Fellows, Associates, Graduate members, Student members, Certified Specialised Professionals and Honorary members admitted to membership of the Institute in accordance with or pursuant to the ACT and these rules.

Fellow: any person so elected by Council and authorised to use the designation FCS

Associate: any person so admitted by Council and authorised to use the designation ACS

Graduate: any person who has successfully completed the Institute examinations but is yet to be admitted as an Associate.

Student: any person on the register of students maintained by the Institute.

- (b) Words importing the masculine gender shall include the feminine and words in the singular shall include the plural and vice-versa. Any reference to a statutory provision shall include where the context permits, the subordinate legislation made from time to time under that provision, and any reference to a statutory provision or regulation shall include that provision, or regulation as from time to time modified or re-enacted so far as such modification or re-enactment applies, or is capable of applying to such reference.
- (c) Headings and sub-headings are for convenience only and shall not affect the interpretation of these regulations.
- (d) Misconduct is any act or default likely to bring discredit to a member, the Institute or the Securities and Investment profession.
- (e) Integrity implies not merely honesty but fair dealing, truthfulness and full disclosure.
- (f) Objectivity is the state of mind which has regard to all considerations relevant to the task in hand, but to no other.
- (g) Specified person means every qualified Securities and Investment professional working in a firm.

Citation:

**These Rules shall be cited as the
Chartered Institute of Stockbrokers
Membership Rules and Regulations, 2021.**

**MADE BY THE GOVERNING COUNCIL PURSUANT TO
SECTIONS 10(6) AND 15 OF THE CIS ACT 105 OF 1992,
AND APPROVED AT THE 26TH AGM HELD IN LAGOS
ON THURSDAY 29TH DAY OF APRIL, 2021**

**Olatunde Mohammed Amolegbe, FCS
President and Chairman of Council**

Our office is located at:

71, Raymond Njoku Street
Off Awolowo Road South West Ikoyi
Lagos, Nigeria.

Tel: +234(0)7065843682
+234(0)8181869607

E-mail: info@cisinigeria.org
Website: www.cisinigeria.org

Join us



@cisinigeria



cisinigeria



charteredstockbrokers



charteredstockbrokers

