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PRESS RELEASE

FOR IMMEDIATE RELEASE

NSE AMENDS ITS FIXED INCOME SECURITIES (FIS)
TRADING RULES

July 17, 2015

The Nairobi Securities Exchange (NSE) has amended its Fixed Income Securities (FIS) Trading Rules. This follows a formal approval from the regulator; the Capital Markets Authority (CMA).

The FIS Trading Rules cover how NSE Market Intermediaries access the Automated Trading System (ATS) of The Exchange. They also detail the obligations of NSE Market Intermediaries including their order management of trades in Fixed Income Securities executed on the same platform.

The amendments are in Section 5.2.2 (ii) and 5.2.3 of the Trading Rules and include the creation of a Restricted Board where restricted FIS offers shall trade and the trading restrictions on the Restricted Board.

The Restricted Board will be used to trade Fixed Income Securities arising from public offers targeting sophisticated investors who include; high net worth individuals, authorized schemes, collective investment schemes, banks and their subsidiaries, co-operative societies, pension or retirement funds as stipulated in the Capital Markets Act. Trading on the Restricted Board shall be limited to sophisticated investors only.

Commenting on the amendments, Mr. Geoffrey Odundo, the Chief Executive of the NSE noted, *“The amendment of the FIS Trading Rules is part of our strategy to broaden and deepen the Bond Market. This is a significant step towards ensuring that our issuers, institutional and individual investors gain access to a more diverse secondary market. With this development, we look forward to listing a more diverse variety of debt securities including Senior Unsecured Fixed Rate Notes and Equity Linked Notes on our Fixed Income Market Segment”* said Mr. Odundo.

The amendment of the Fixed Income Securities Trading Rules is a clear indication of the vital role the segment plays in raising long term capital for both the Government of Kenya and Corporates. This year the Government of Kenya has so far raised Kshs. 87.3 Billion through the issuance and listing of Treasury Bonds. Similarly, we have listed a total of Kshs. 21.9 Billion in Corporate Bonds all of which have been oversubscribed.

To download the FIS Trading Rules please visit www.nse.co.ke

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About the Nairobi Securities Exchange

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is an affiliate member of the World Federation of Exchanges (WFE), an associate member of the Association of Futures Markets (AFM) and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE).

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