



CIRCULAR NO. 1 of 2022

January 17, 2022

To: All Issuers of Securities to the public

RE: CLARIFICATION ON THE LEVEL OF EARNINGS IN PROFIT WARNING  
ANNOUNCEMENTS BY ISSUERS OF SECURITIES TO THE PUBLIC

---

The Authority is committed to facilitating an efficient capital market where there is access to complete, accurate and timely information for informed decision making. In this regard, the Authority reiterates the content of Circular No. 6 of 2016 (Attached for ease of Reference) to all issuers of securities to the public on profit warning announcements pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 (The Regulations)

For avoidance of any doubt, the Authority hereby clarifies on the following two issues:

1. That the **level of earnings** for purposes of issuing profit warnings as required under paragraph G. 05 (1) (f) of the fifth schedule to the Regulations, shall be **earnings after tax**.
2. That issuers are required to issue profit warnings as soon as management becomes aware of the likely drop in earnings by more than 25%. For greater certainty, management in this regard shall be taken to mean the Chief Executive Officer of the issuer.

Kindly ensure compliance and do not hesitate to contact the Authority in case you require further clarification.

Yours sincerely

FCPA. Wyckliffe Shamiah,  
CHIEF EXECUTIVE OFFICER

Encl