



"ENSURING INVESTOR PROTECTION"

SEC News

SECURITIES AND EXCHANGE COMMISSION GHANA QUARTERLY NEWS

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Meet our New Deputy Director-General, Legal



The Securities and Exchange Commission is pleased to announce the appointment of Mr. Alexander Williams as its Deputy Director-General, Legal.

Mr. Williams is a lawyer and a banker. He has previously worked with the Attorney-General's Department, the Bank for Housing and Construction (in liquidation), and CAL Bank Limited from where he resigned in 2007 as Director of the Legal Department and Company Secretary to establish Lex-Eck Consult, a legal consultancy, company secretariat and training firm.

Mr. Williams has authored some publications in banking, financial and human resource journals, the latest being Corporate Banking: Law and Practice, a workbook for the Chartered Institute of Bankers (Gh).

Alex is a fellow of the Chartered Institute of Bankers (Ghana), and a member of the Ghana Bar Association and International Bar Association.

Mr. Williams, who is married with two daughters, assumed the position of Deputy Director-General (Legal) of the Securities and Exchange Commission on July 1, 2013. He takes over from Mr. Ken Okwabi (now Justice Okwabi) who retired in January 2012.

SEC'S Evening with GREDA

The Securities and Exchange Commission (SEC) has called on members of the Ghana Real Estate Developers Association (GREDA) to use the capital market to raise long-term funds to increase housing delivery in the country. The Director of the SEC, Mr. Adu Anane Antwi, made the call when he addressed members of GREDA at a cocktail event dubbed "SEC's Evening with GREDA," held on Tuesday, 20th August 2013 at the forecourt of SEC offices in Accra. The event was sponsored by Graphic BUSINESS newspaper.

The programme afforded SEC the opportunity to interact with GREDA members on matters relating to the issuance of bonds and other innovative financing structures designed to facilitate housing delivery in Ghana. It forms part of a conscious education programme undertaken by SEC and the Ghana Stock Exchange (GSE) to encourage more companies to use the capital market to raise funds needed for long-term projects.

Mr. Antwi advised members of GREDA to avoid securing short term loans to finance long-term projects. He drew a clear distinction between the housing market in Ghana and that of developed economies such as the US, where people buy houses like stocks and bonds in anticipation of a rise in price. In contrast, he said when people buy houses in Ghana, they do so typically to pass it down to future generations. He encouraged GREDA members to take advantage of the Ghanaian culture of home ownership as it results in a more stable housing market. He explained that home buyers in Ghana pose little credit risk to the mortgage companies or real estate developers that finance them because such home

buyers are usually in for the long haul and would do anything to secure the full ownership of the home they are buying.

Mr Ekow Afedzi, Deputy Managing Director of the Ghana Stock Exchange (GSE) said the processes for Companies like real estate developers to raise funds have been made relatively simple under the Ghana Alternative Market (GAX). "Within two weeks an estate developer can go to the (capital) market and raise funds", he said. Moreover, the funds can be raised either in dollars or cedis.

These calls come at a time when the country's housing deficit is estimated at over 1.7 million units and increasing every year. It is estimated that more than 50 percent of Ghanaians live in sub-standard houses, deprived inner city dwellings, uncompleted houses, containers, shops and other unsuitable structures.

On its part, GREDA gave a strong indication of its preparedness to explore Ghana's capital market for long term funds to develop the real estate sector. Mr. Patrick Bonful, the 1st Vice President of GREDA and Managing Director of PS Global Limited, noted that SEC's initiative had come at the right time. "We are very well prepared for this. We have even gone ahead to register GREDA Investment Company Limited to take advantage of this arrangement for our members" he stated. GREDA, which started with 10 members in 1988, now has a membership of about 400.

West African Capital Market Integration Council Meeting

On September 6th 2013, the 2nd meeting of the West African Capital Market Integration Council (WACMIC) took place in Accra, Ghana. The meeting was hosted by the Securities and Exchange Commission, Ghana and was chaired by Mr. Oscar Onyema, CEO of Nigeria Stock Exchange, who is also the Chairman of WACMIC. It was attended by representatives of Securities Commissions and Stock Exchanges in the sub region and representatives from the West African Monetary Institute (WAMI) and the World Bank. The meeting considered the reports from the two main Technical Committees of the council and received brief reports on developments in member countries.

The Trading, Clearing, Settlement and Depository Sub-Committee presented a report on the following key areas:

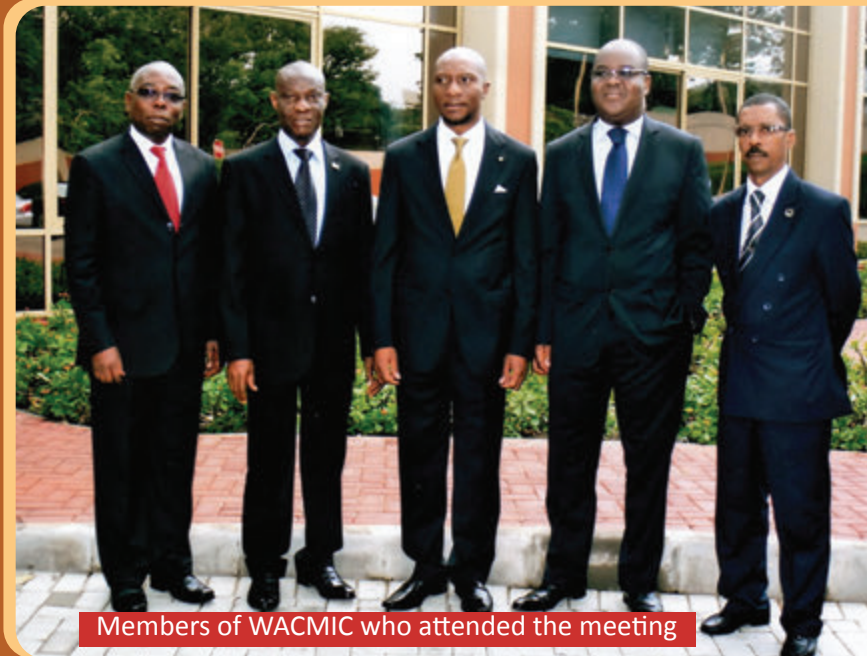
1. Proposed strategic direction and structure for Trading, Clearing & Settlement.
2. Review of the Trading, Clearing & Settlement Depository and rules.
3. Harmonization of trading rules across the region.
4. Benchmarking the proposed structure against international best practice.

The Legal and Regulatory Sub-Committee presented a report on

1. Harmonization of listing rules
2. Common passport and mutual recognition

The Council discussed the recommendations, the implementation plans and among others raised concerns regarding:

1. Market data implications and revenue sharing
2. Risk management issues
3. Currency for trade
4. Impact of proposed harmonized fees



The Technical Committees was tasked to do further work on the areas highlighted and report back to the Council before the end of the year.

The current initiative to integrate the West African capital market started in 2012. The members of the Council are the Heads of Securities Commissions and Securities Exchanges in Ghana, Nigeria, Sierra Leone and WAEMU (West African Economic and Monetary Union). Gambia, Guinea and Liberia who are yet to have vibrant stock markets have observer statuses. The meetings are attended by representatives of ECOWAS, WAMI, WAEMU and Central Banks of the sub-region.

The aim of the integration is to provide a platform that enables capital to freely move across the West African region. WACMIC has two Technical Committees working on Trading, Clearing, Settlement and Depository, and Legal and Regulatory issues.

2013 Ai Institutional Investment Summit and Ai Index Series Awards Held

Africa Investor, a leading international investment and communications group, in association with NYSE Euronext hosted the 2013 Ai Institutional Investment Summit and the Ai Index Series Awards on the 24th of September 2013 at the New York Stock Exchange to profile African capital market success stories.

The Ai Institutional Investment Summit brings together decision makers from stock markets, regulators, listed companies, fund managers, stockbrokers and analysts in Africa and others who have an interest and follow the performance of African equities. The Minister of Finance, Hon. Seth Terkper attended the

summit and took part in the African Finance Ministers' panel discussion. The Securities Exchange Commission of Ghana was represented at the summit by its Director-General, Mr. Adu A. Antwi while the Ghana Stock Exchange was represented by its Deputy Managing Director, Mr. Ekow Afedzi.

The Ai Index Series Awards are designed to recognize Africa's best performing stock exchanges, listed companies, investment banks, research teams, regulators, socially responsible companies and fund managers. It is a unique African Capital Markets Event. *Continue on Page 6*

Greenfield Estates Launched

Greenfield Estates, a residential community developed by ASN Properties, a subsidiary of ASN Holdings Ltd. was launched in Maleyor near Accra on September 20, 2013.

The Deputy Director General of the SEC Mr. Alexander Williams, who was the keynote speaker at the launch, said that the Securities and Exchange Commission was reviewing the Unit Trusts and Mutual Trust Fund regulations to allow fund managers to invest more than 10% of their funds in the real estate sector. He said further that the SEC was also developing guidelines for Real Estate Investment Funds (REIF), a Collective Investment scheme whose primary focus will be investments in the real estate sector. He noted that these initiatives by SEC were testament of the regulator's commitment to partner with real estate developers to provide affordable housing in Ghana while developing the capital market.

He advocated the use of long term funds to finance long term projects such as housing. This is because real estate itself is a long term business by nature. Long term funds therefore provide the needed stability and are cheaper than bank loans.

For medium and small-scale estate developers who would like to access funding through the capital market, he proposed the use of the Ghana Alternative Exchange (GAX), a new market operated by the GSE with a focus on small businesses with high potential for growth. He stated that GAX-listed companies will enjoy incentives such as reduced cost of listing and a support fund to pay in part or fully for advisory services.

The CEO of ASN Holdings, Mr. Prince Sarpong announced that the concept of Greenfields, which is the first green township to be built in Ghana, is to "provide the tranquility and serenity needed by prospective homeowners".

Greenfields is a gated community consisting of 400 housing units, located at Maleyor, behind the Valley View University. The company officially launched 200 two – bedroom semi-detached houses (Sunset Bay), while an additional 200 three-bedroom detached houses are due to be completed shortly.

Launch of MERBAN FUND

The Merban Fund -- an open-ended mutual fund aimed at mobilising funds for investment in money market instruments, listed equities and other regulated financial instruments was recently launched in Accra.

The fund is managed by Merban Investment Holdings Limited (MIHL) -- a subsidiary of Merchant Bank. Stanbic Bank (Gh) Ltd is custodian to the fund.

The fund seeks growth and value creation for shareholders by investing in a well- selected portfolio of money market instruments, shares of companies listed on the Ghana Stock Exchange, and other stocks in emerging markets outside the country.

Mr. Manfred Kafui Bressey, Head of Merchant Investment Holdings Limited, said the fund will not be susceptible to downturns in the Ghanaian economy because it would be diversified over several economies. "We will concentrate on the best stocks in emerging markets on the African continent where we have strong research information."

He said his company will leverage its vast experience in managing funds to ensure that investors get value on their investments. Investors will have easy access to invest or withdraw from the Merban Fund through the bank's wide branch network.

In his keynote speech read on his behalf by Ms. Leonie Atayi, Head of Funds Management of the SEC, the Director-General of the SEC, Mr. Adu A. Antwi stressed the need for regulators and operators to collectively step up the education drive to educate investors on how to maximize their investments using the capital market as an investment avenue. He said "this will improve the demand side of the market and enhance our market liquidity". He said that while we seek to improve the demand side of the market, we must also seek ways to improve the supply side of the market. He noted that to enhance investment variety in our capital market and create a competitive and liquid market, we should work towards expanding the investment vehicles in the country by creating more financial products on the market.

Training and Capacity Building of SEC Staff

Workshop for SEC Staff by Bourse Africa

Staff of the SEC attended a regulatory capacity building workshop organized by Bourse Africa Limited on 8th July 2013 at Novotel Hotel in Accra. The workshop was aimed at introducing Bourse Africa to the regulators and providing training on stock derivatives.

Bourse Africa is Africa's first continental spot and derivatives exchange, central counterparty clearing-house and depository platform offering trade in commodities, currencies and other asset classes.

US SEC Training Program

Two (2) members of staff attended a training programme on Compliance and Examination of Market Participants at the United States Securities and Exchange Commission from the 8th to 11th July 2013.

The program was geared towards updating the skills of participants in Risk based supervision of capital market operators. It entailed the review of examination and inspection techniques to ensure effective compliance. It also covered the investigation of market abuses.

Regional Workshop on Islamic Bonds Financing for Infrastructure

Four (4) members of staff participated in the African Development Bank's Regional Workshop on Islamic Bonds Financing for Infrastructure held in Abuja, Nigeria from 12th to 16th August 2013. The workshop gave participants who came from various countries in the sub-region the opportunity to interact and discuss ways in which Africa could bridge the infrastructural gap by raising funds through Islamic bonds.

Securities Consumer Education Familiarization and Training Programm

Three (3) members of staff attended the Financial Services Board of South Africa's Securities Consumer Education Familiarization and Training Programme held in Pretoria, South Africa from 26th to 30th August 2013. The program gave participants the opportunity to learn from South Africa's extensive consumer education and financial literacy program. Participants were exposed to various initiatives employed by the FSB at the community and school system level to educate consumers about financial matters. There were representatives from Securities Commissions and Central Banks from the sub - region.

Knowledge Bank

What are Real Estate Investment Funds?

Real Estate Investment Funds (REIFs) are investment vehicles set up with the main objective of investing in real estate or real estate related assets, and provide returns to shareholders/investors from the rental income of the real estate or related assets.

(REIFs) are broadly grouped into three namely, Equity REIFs, Mortgage REIFs and Hybrid REIFs. The Equity based REIFs normally invest directly in real estate, own and manage properties and primarily derive revenues from the properties' rental income. Such properties are either purchased or developed directly. Mortgage REIFs originate, buy/or sell mortgages for real estate property owners. They do not develop or own real estate properties. They may also on-sell loans that are secured by the real estate

or purchase mortgage-backed securities or existing mortgage. Revenues are primarily derived from the interest earned off their mortgages. The hybrid REIFs combine the investment objectives and principles of both Equity REIFs and Mortgage REIFs and derive their revenue from a combination of rents, capital gains and interest income.

In view of the capital intensive and long term nature of investments, most REIFs are generally closed-ended. This arrangement prevents depletion of capital, (mostly suffered by open-ended REIFs), thus allowing for sufficient capital accumulation and gestation of investments for adequate returns to investors.

Ghana presently has only one real Estate Investment Fund which is open-ended and licensed under the existing Mutual Fund and Unit Fund Regulation (LI 1695, 2001).

2012 Ghana Investment Awards

The third edition of the Ghana Investment Awards (GiA) which recognizes excellence among the over 70 licensed investment banking firms in Ghana was held at the Coconut Grove Hotel in Accra on August 3, 2013.

The awards assessed the performance of 22 brokerage and 67 investment advisor firms duly licensed by the Securities and Exchange Commission, and all listed equities on the Ghana Stock Exchange. In all, 13 categories of awards were presented. These included two new awards, Advertising Campaign of the Year and Deal of the Year which were introduced in this year's edition.

The Director-General of the SEC, Mr. Adu A. Antwi in his speech delivered on his behalf by Mr. Emmanuel Mensah- Appiah, Head of Audit and Risk Management highlighted the SEC's efforts at improving investor education among the general populace. He commended the organizers, stating that the institution of the awards would further raise public awareness of the investment industry as well as promote healthy competition within the industry.

The event was attended by several dignitaries including the Deputy Minister of Finance, Mr. Kwaku Ricketts-Hagan and his wife, and members of the investment community. .

The annual awards programme is organized by the Premier Networking Investment Club (PNIC), a business networking and investment club made up professionals within and outside Ghana, under the auspices of the Association of Chartered Certified Accountants (ACCA), in consultation with various industry stakeholders.

Below is the full list of top (gold) award winners:

Award 1 : Investment Advisor of the Year

Gold Coast Securities Ltd.

Award 2: Broker- Dealer of the Year

Databank Brokerage Ltd.

Award 3: Research Report of the Year

SIC-FSL Research

Award 4: Best Growing New Investment Firm

IFS Capital

Award 5: Advertising Campaign of the Year

Spendsome Savesome by FirstBanC Financial Services

Award 6: Deal of the Year

Ecobank- TTB Merger (GHS232million) - EDC Investments

Award 7: Money Market Fund of the Year

First Fund (Managed by FirstbanC Financial Services Ltd)

Award 8: Balanced Fund of the Year

HFC Future Plan Trust (Managed by HFC Investments Ltd.)

Award 9: Equity Fund of the Year

HFC REIT (Managed by HFC Investments Ltd.)

Award 10: Best Performing Stock of the Year

Ghana Oil Co. Ltd. (GOIL)

Award 11: Most Promising Investment Professional of the Year- (Under 28 years)

Sophia Kafui Teye (HFC Investments Limited)

Award 12: Fund Manager of the Year

Genevieve Abban (HFC Future Plan Trust Fund- HFC Investments Ltd)

Award 13: Life Time Achievement Award

Mr. Samuel Oduro Mintah

Presentation to the Ministry of Foreign Affairs and Regional Integration in Accra

The Director-General of the Securities and Exchange Commission, Mr. Adu Anane Antwi, gave senior officials of the Ministry of Foreign Affairs and Regional Integration in Accra a presentation on the role and operations of the Commission. The presentation which was made on July 11, 2013 at the Ministry's headquarters, was also aimed at deepening the collaboration between both institutions for the purpose of attracting and consolidating foreign investments in the country.

SEC holds ANTI-MONEY LAUNDERING/COUNTER FINANCING OF TERRORISM AND PROLIFERATION FINANCING (AML/CFT & PF) compliance workshop FOR ANTI-MONEY LAUNDERING REPORTING OFFICERS (AMLROs).

The SEC in collaboration with the Financial Intelligence Centre (FIC) organized a one day workshop on AML/CFT & PF compliance for Anti-Money Laundering Reporting Officers (AMLROs) of Capital Market Operators (CMOs) at STEPRI-CSIR on 11th September, 2013, which was replicated on 12th September, 2013.

The main objective of the workshop was to expand the skills set of AMLROs in AML/CFT & PF Compliance.

The workshop was facilitated by resource persons from FIC and SEC. Among the topics covered were AML/CFT & PF concepts, Legal and Institutional Framework, Filing of Quality Suspicious Transaction Reports (STRs) and the Roles of SEC and CMOs in AML/CFT & PF Compliance.

"Early Bird" for the Quarter



Christian Ababio of the Human Resource and International Relations Department was adjudged the most punctual employee for the period July - Sept 2013. SEC news congratulates him on being the "Early Bird" for the quarter.

2013 Ai Institutional Investment Summit and AI Index Series Awards Held

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The Securities Exchange Commission of Ghana was shortlisted in the Most Innovative Capital Markets Regulator category but the Securities Exchange Commission of Nigeria won the Award in that category. Ghana Commercial Bank picked up the Award for Best Performing Ai100 Company. Eco-bank won the Best African Research Team Award, with Mr. Simon Dornoo, Managing Director of Ghana Commercial Bank picking the Ai100 CEO of the Year Award.

The full Africa investor Index Series Awards Categories for 2013 were:

1. Most Innovative African Stock Exchange
2. Best Africa Investment Bank
3. Best Africa Research Team
4. Most Innovative Capital Markets Regulator
5. Best Broker in Africa
6. Best Africa Fund Manager
7. Best African IPO
8. Best Performing Africa investor 100 company
9. Best Performing Africa investor 40 company
10. Best Performing Africa investor SRI50 company
11. Best Performing Africa investor SRI30 company
12. Africa investor Capital Market Personality of the Year
13. Africa investor 100 CEO of the Year
14. Africa investor 40 CEO of the Year
15. Africa investor SRI50 CEO of the Year
16. Africa investor SRI30 CEO of the Year
17. Africa investor International Pension Fund Initiative of the Year
18. Africa investor African Pension Fund Initiative of the Year

Funds under the Management of Licensed Fund Managers

	End June 2013 (GHC)	End Sept 2013 (GHC)	% Change
TOTAL FUNDS	2,986,900,279.15	3,795,068,473,.68	27.0%
- <i>CIS</i>	<i>301,476,587.19</i>	<i>324,587,249.82</i>	<i>7.6%</i>
- <i>Others</i>	<i>2,685,423,691.96</i>	<i>3,470,481,223.86</i>	<i>29.2%</i>

Approvals

During the period, the following approvals were given to various entities to operate as follows:

Company	License Category
Bullion Securities Ltd	Broker Dealer
Bullion Financial Advisors Ltd	Investment Advisor
Nordea Capital Ltd	Investment Advisor
Parkstone Capital Ltd.	Investment Advisor
Galaxy Capital Ltd.	Investment Advisor
Energy Investments Ltd.	Investment Advisor
Temple Investments Ltd.	Investment Advisor
Beige Capital Asset Management Ltd	Investment Advisor
Dalex Capital Ltd	Investment Advisor
Utrak Capital Management Ltd.	Investment Advisor
Omega Equity Fund	Mutual Fund
Omega Income Fund	Mutual Fund
EM Balanced Unit Trust	Unit Trust
Fidelity Bank Ltd.	Trustee
Bank of Africa Ghana Ltd.	Custodian

Enforcement Actions

During the quarter under review the following Market Operators were sanctioned in accordance with the Securities Industry Act as amended for various violations under the law.

Company	Infringement	Penalty (GH¢)
Canal Capital Ltd.	Late submission of 2012 financial statement	2,900.00
Databank Asset Management Ltd.	Late submission of 2012 financial statement	1,100.00
Kron Capital Ltd.	Late submission of 2012 financial statement	8,100.00
Brooks Asset Management Ltd.	Late submission of Management letter	1,700.00
Emerging Markets Ltd.	Late Submission of Management Letter	1,200.00
First Atlantic Asset Management	Late Submission of Management Letter	3,000.00
Wealth Vision Financial Services	Late renewal of licence	4,200.00
Wealth Vision Financial Services	Late notification	6,700.00
QFS Securities Ltd.	Late renewal of licence	4,200.00
Gold Coast Securities Ltd.	Late renewal of licence	6,600.00
Capstone Capital	Late submission of annual and 1st Quarter report	10,200.00
IC Securities Ltd.	Late renewal of licence	6,600.00
NTHC Ltd.	Late submission of annual report	4300.00

Stock Market Statistics

	End June 2013	End Sept 2013	% Change
Number of Listed Companies	34	34	-
Volume of Trades*	35,423,358	38,785,794	9.49%
Value of Trades (GH¢)*	20,740,371	49,589,740	139.09%
Market Capitalization (GH¢Million)	55,924.82	56,430.09	0.90 %
GSE-Composite Index	1,880.26	2,030.96	8.01 %
GSE-Financial Stock Index	1,591.17	1,703.04	7.03 %

* Figures are for the quarter.

Capital Market Operators

Category of Licensed Operators	Number (End June 2013)	Number (End Sept 2013)	Change
Broker-Dealers Only	23	24	1
Investment Advisors (Advisory Only)	3	3	-
Investment Advisors (Advisory & Fund Mgt.)	71	80	9
Trustees	3	3	-
Custodians	17	18	1
Registrars	4	4	-
Securities Depositories	2	2	-
Stock Exchange	1	1	-
Mutual Funds	18	20	2
Unit Trusts	13	14	1
Issuing House	1	1	-
Primary Dealers	15	15	-
Exchange Traded Funds	1	1	-
TOTAL	172	186	14

Performance Of Equities on the Ghana Stock Exchange

Name of Company	Closing Price(GhC) June 2013	Closing Price(GhC) Sept 2013	Gain / (Loss) (GhC)
1. African Champion Ltd.	0.06	0.06	-
2. AngloGold Ashanti Ltd.	37.00	37.00	-
3. Aluworks Limited.	0.06	0.06	-
4. Ayrton Drug Manufacturing Ltd.	0.17	0.17	-
5. Benso Oil Palm Plantation.	3.00	3.80	0.80
6. Cal Bank Ltd.	0.82	1.09	0.27
7. Clydestone (Ghana) Ltd.	0.04	0.04	-
8. Camelot Ghana Ltd.	0.16	0.16	-
9. Cocoa Processing Co. Ltd.	0.02	0.02	-
10. Ecobank Ghana Ltd.	4.40	4.35	(0.05)
11. Enterprise Group Ltd.	1.12	1.90	0.78
12. Ecobank Transnational Inc.	0.19	0.19	-
13. Fan Milk Ltd.	5.80	6.37	0.57
14. Ghana Commercial Bank Ltd.	4.56	5.30	0.74
15. Guinness Ghana Breweries Ltd.	4.42	5.45	1.03
16. Ghana Oil Company Limited.	1.25	0.90	(0.35)
17. Golden Star Resources Ltd.	2.75	2.75	-
18. Golden Web Ltd.	0.04	0.04	-
19. HFC Bank (Ghana) Ltd.	0.55	0.65	0.10
20. Mechanical Llyod.Co. Ltd.	0.26	0.31	0.05
21. Pioneer Kitchenware Ltd.	0.06	0.06	-
22. Produce Buying Company Ltd.	0.24	0.18	(0.06)
23. PZ Cussion Ghana Ltd.	0.39	0.91	0.52
24. Standard Chartered Bank Gh. Ltd.	13.96	14.19	0.23
25. SIC Insurance Company Ltd.	0.43	0.38	(0.05)
26. Starwin Products Ltd.	0.05	0.05	-
27. SG-SSB Ltd.	0.86	0.85	(0.01)
28. Sam Woode Ltd.	0.02	0.02	-
29. Trust Bank Ltd. (The Gambia)	0.35	0.35	-
30. Total Petroleum Ghana Ltd.	41.66 / 5.21*	5.08	(0.13)
31. Transactional Solutions (Ghana) Ltd.	0.04	0.04	-
32. Tullow Oil Plc.	31.50	31.15	(0.35)
33. Unilever Ghana Ltd.	15.10	16.78	1.68
34. UT Bank Ltd.	0.52	0.45	(0.07)

* TPGL made a bonus issue of 7shares for each share held on 14th August 2013

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