



# **SECURITIES AND EXCHANGE COMMISSION, GHANA**

## ***2008 ANNUAL REPORT***

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## **Mission Statement**

To promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected through the proactive implementation of the securities Laws

## STATUTORY MANDATE OF THE SECURITIES AND EXCHANGE COMMISSION, GHANA

The securities Industry Law (PNDC Law 33) as amended by Act 590, 2001, provides that the mandate of the Commission shall be as follows:

- To advise the Minister of Finance and Economic Planning on all matters relating to the securities industry
- To maintain surveillance over activities in securities and to ensure orderly, fair and equitable dealings in securities
- To formulate principles for the guidance of the industry
- To protect the integrity of the securities market against any abuses arising from the practice of insider trading
- To adopt measures to minimize and supervise any conflicts of interest that may arise from dealers
- To review approve and regulate takeovers, mergers and acquisitions and all forms of business combinations in accordance with any law or code of practice requiring it to do so
- To examine and approve invitations to the public
- To register, license, authorize or regulate in accordance with this Law or any regulations made under it, stock exchanges, investment advisers, unit trust schemes, mutual funds, securities dealers, and their agents and to control and supervise their activities with a view to maintaining proper standards of conduct and acceptable practices in the securities businesses
- To create the necessary atmosphere for the orderly growth and development of the capital market
- To undertake such other activities as are necessary or expedient for giving full effect to the provisions of the Law



## **Chairman's Statement**

## Chairman's Statement

2008 confronted us with the stark reality of meeting the possible challenge of the global financial crisis and its after-effects on the global economy and capital markets. The crisis which was borne out of defaults on U.S.A. sub-prime mortgages, complex credit instruments and myriad derivatives called into question the essence and nature of regulation within specific jurisdictions and of the entire international financial industry. This has led to calls for a comprehensive review of the tools and methods of financial regulation all over the world. The quest for the right regulatory model to prevent the re-occurrence of this crisis has presented regulators with the challenge of balancing tighter regulations and supervision with providing market players with sufficient room and incentives for least cost and innovation for the future development and growth of capital markets.

In the midst of the crisis, the Ghana Securities and Exchange Commission kept close watch of events on the world stage and monitored closely their likely impact on our local economy and capital markets. We were of the opinion that over-regulation could be just as dangerous as under-regulation and therefore sought ways to be in constant consultation with securities market operators on the most efficient way forward. The commission intensified its market education campaign for investors, the public and other stakeholders to retain their confidence in the Ghanaian market. The commission reinforced this message by insisting on the strict application of the Securities Industry Act, Rules and Regulations. Sanctions imposed were publicized in the media to serve as deterrent.

As a result of what was happening internationally, the

commission sought to introduce considerations of merit in addition to disclosure in the approval of products, licenses and prospectuses. This was considered necessary as an interim measure for the protection of investors, who had become wary as a result of multiple outbreaks of scandals and corporate failures all over the world. For this reason, certain mutual fund products were refused licenses and an application for Initial Public Offer was refused approval. The Commission considered it prudent to provide in this way the primary line of defense for investor protection as mandated by the Securities Industry Act.

Another key strategic step taken by the Commission was to improve its regulatory oversight of investment funds operating across borders, primarily, large Ghanaian Mutual Funds and Unit Trusts schemes investing in other countries in Africa. In line with this, in the reporting year, the Securities and Exchange Commission signed three new bilateral Memoranda of Understanding (MOUs) with the Securities Regulators of South Africa, Tanzania and Uganda and strengthened the one already signed with the Securities and Exchange Commission of Nigeria. These were key markets in which Ghanaian based licensed Mutual Funds and Unit Trust Schemes had made substantial investments. These MOUs enabled the SEC of Ghana to share information with sister regulators on the operations of these investment funds with the aim of protecting the interest of investors.

During the year, SEC reviewed its inspection procedures. The Market Surveillance Department was encouraged to redouble its review regimen of existing internal control mechanisms, detect conflicts of interest situations and assess the efficiency of backroom and

front desk operations of fund managers and brokerage firms in the industry. The gate keeping roles expected of Board Members, Board Secretaries, Compliance Officers, Members of Finance and Investment Committees, Custodians and Trustees and Shareholders of funds were reviewed with the aim of improving corporate governance standards in the investment management industry in the country.

The measures taken above, complemented by the country's political stability and prudent management of the economy helped to sustain the robustness of the Ghanaian Capital Market, in the light of rising international commodity prices and attendant inflation which eventually fed into the Ghanaian local economy. The Stock Market continued its recovery from the bearish market recorded in 2005 to post a remarkable index return of 58.06% making Ghana among the best performing markets in 2008. The corporate sector continued to rely on the stock market to raise needed funds thereby injecting substantial activity and interest in the primary market. The total amount of funds raised in this market in 2008 was US\$2.37 billion compared to US\$115.78 million raised in the preceding year. This is a clear testimony of the outcome of the Commission's proactive steps taken to shore up investor confidence in the market. This was certainly against the tide of global trend which saw progressive waning of investor confidence in the securities markets and resulting erosion in the value of various asset classes all over the world. Other stakeholders such as the Central Bank and the Central Government also played a part to allay the fears of investors.

The assets of the Collective Investment Scheme and Investment Advisory Sectors continued to grow in value in tandem with the performance of the national economy, the stock market and other asset classes in the country. Total net asset value of the collective investment scheme sector grew by an average of 15%

and funds under management in the investment advisory industry increased by 38.2% over the previous year.

Among the segments of the capital market, it was only the bond market that remained dormant. Developing this market has been the priority of the Commission over the years. We have succeeded to get the government interested in using the bond market as its most preferred choice for raising development capital in the provision of infrastructure for the country, rather than usual recourse to the money market, which has always proven to be inflationary throughout the economic-history of the country. In view of this, the government has over the past three years been active in the Bond Market with the principal objective of setting appropriate yield curves for various yield maturities against which the corporate sector, municipalities and quasi- public agencies could issue debt instruments on the market. Government must be congratulated for issuing up to 5 year maturity bonds on the market which the economy did not previously have. Government is still being encouraged to consider issuing bonds of much longer yielding maturity on the market, whilst the Commission and other stakeholders would be working together at improving the regulatory environment for both the primary and secondary markets.

On the economic front, the Ghanaian economy continued to exhibit resilience against the tide of the global economic and financial crises. It achieved continued growth despite the emergence and persistence of multiple risk factors such as higher oil and commodity prices, imported inflation, exchange rate volatility and slump in the growth of the world economy. Gross domestic product recorded an impressive growth of 7.3% as against 6.4% achieved in the previous year. This indicates a progressive and continuous growth trajectory in the Ghanaian economy during the past eight years which in itself has also boosted the growth



and development of the capital market.

During the year under review, the SEC completed and issued to the market, a new Code on Takeovers and Mergers and a new Compliance Manual for Broker-Dealers, Investment Advisers and their Representatives for the guidance of the industry. The Code on Takeovers and Mergers is a comprehensive set of rules designed to minimize insider trading, protect investors, particularly minority investors, in both offeror and offeree companies. It also serves as a guide to both listed and unlisted companies in their bid for any such corporate actions as mergers and acquisitions. Advisors, Board Members, Corporate Officers and parties to such corporate events have also been brought under severe fiduciary responsibilities of care and loyalty to the companies they serve, failure of which attracts severe sanctions including criminal liability. The Compliance Manual on the other hand seeks to streamline the operations of affected market operators and firms in strict accordance with the prevailing Law, Rules and Regulations.

It is heartening to report that the operational infrastructure of the Ghanaian capital market improved to enhance our competitiveness on the global arena. Automation of trading on the Ghana Stock Exchange was completed together with another Securities Depository (GSD) which was issued with a license to operate by the SEC. The SEC also approved the new automated trading rules of the GSE and provided support for the campaign on the de-materialization and migration of securities onto the Securities Depository of the GSE. This important milestone will go a long way to improve liquidity and facilitate trading on the GSE. It must be acknowledged that these developments could not have been possible without direct and active Government support.

On the provision of an effective and efficient 'soft capital

market infrastructure', the Commission continued to work on the review and amendment to the Securities Industry Law, related regulations and the entire legal and regulatory framework governing the securities industry. Valuable input was also made by staff of the Commission towards the drafting and enactment of the Anti-Money Laundering Bill, which was passed by Parliament. We also continued to provide recommendations towards the review of the Companies Code.


During the year, the capital market witnessed increased shareholder activism as many of them began to show interest in the election of directors. There was in-fact a landmark event in which the requisite shareholders of a bank requisitioned an Emergency General Meeting (EGM) of shareholders, inter alia, to remove the Chief Executive Officer and replace him with their nominee. Although, their action was not successful as a result of lack of support of key institutional investors, the event helped to push corporate governance to a higher level of interest and awareness in the country. This follows the heels of corporate governance awareness creation mounted by the Commission. "The Securities Week", an annual public awareness campaign launched by the Commission in 2006, has gone a long way to provide information and education on shareholder and investor rights and responsibilities as well as tips on investment vehicles available on the market. This reinforces our regulatory philosophy that investor protection and regulation of capital markets are a shared responsibility among all market participants and not just for the regulator alone. It is therefore heartening to see the rise of investor vigilance and activism on the Ghanaian capital market as witnessed during the year.

The reporting year saw the resignation of Mrs. Elsie Addo Awadzi, one of our active Commissioners. She had been on the Board since 2002, served on two main Board Committees, the Approvals and Licensing

Committee as a member and the Research and Market Development Committee as the Chairperson. She played an invaluable role in the development of the capital market as well as in the evolution and development of Securities Industry Act, Rules and Regulations. The Commission is grateful for her incisive efforts and the invaluable contribution to our discussions, decisions and her splendid knowledge of the ramifications of the slightest changes in the market conditions. We wish her the best in all future endeavors.

I wish to thank all colleague Commissioners for their fruitful co-operation, time and efforts exerted into the collective vision of the Board to develop an active capital market in Ghana that is capable of meeting both the financing and investment needs of our national economy.

I also wish to express my most profound gratitude to the Director-General, his Deputies and the Staff for their dedication to the mission of the Commission in spite of our failure to improve their conditions of service. Yet they dug very deep into their reserves to contain every crisis that emerged to the admiration of all. The Commissioners wish to congratulate the staff for the good work done not only for the past year but also for all the years that this Board had been in place. The Commissioners can only say that we came; we did what we could; we by no means did everything and it's our hope that those who come after us will continue and do even better in fostering the growth and development of the Ghanaian Securities Industry.



.....  
Professor G.K.A. Ofosu-Amaah  
(Chairman)



# **Report of the Director General**

# Report Of The Director - General

## Introduction

2008 was a very active year for the Capital Market in Ghana. It was the best performing market in Africa, with the All-Share Index on the Ghana Stock Exchange registering the highest year-on-year change. This was in spite of the fact that it was also the year when it became quite evident that the financial crisis which began in the United States has become indeed a global crisis. However, the smallness of our market on the world scene presented a fortuitous decoupling which shielded the capital market in Ghana from the rumblings in the developed markets. That notwithstanding, the Securities and Exchange Commission positioned itself to monitor and prevent any eventuality that may arise from an unexpected contagion.

## Approvals and Licensing

During the year, the Commission worked on and approved applications from several market players: 2 Broker-Dealers, 1 Registrar, 1 Securities Depository, 9 Investment Advisors and 4 Mutual Funds. In addition, the SEC in 2008 also approved 4 Rights Issues and 4 IPOs which together raised about US\$2.4 billion. The SEC also approved new rules for electronic trading at the Ghana Stock Exchange.

Of the four Mutual Funds that were approved, two could not meet the minimum required subscription to commence business.

## Surveillance and Inspection

The SEC continued to be vigilant on the market. In all 17 on-site surveillance activities were carried out during the year. These include visits to 5 Broker-Dealers, 8 Investment Advisors, 1 Custodian, 2 Registrars, and 1

Mutual Fund. Most market players were in compliance with the Securities Industry Laws. Minor infractions were quickly dealt with and those concerned were duly sanctioned. There was nothing to warrant the withdrawal of the license of any market player.

There were also post-offer inspection visits to 3 licensees. This was to ensure that they have carried out functions and use of funds as spelt out in prospectuses as were approved by the Securities and Exchange Commission.

## Complaints and Investigations

The SEC investigated and resolved several complaints received from the investing public as well as licensed market players. Investors complained mostly about non-receipt of share-certificates, non-receipt of dividend warrants, short-notice for AGM and so on.

In the case of licensed market players, the SEC had to arbitrate in a matter between a Broker-Dealer and the Ghana Stock Exchange involving a complaint of wrong penalty by the latter against the former. In another matter which involved a major shareholder and management of a listed company, the SEC restrained itself from intervening in the matter, in spite of pressure from the media, convinced that it is within the provisions of the Companies Code.

## Market Development

The SEC continued in its efforts at developing the young capital market in Ghana. There are clear signs that the market is expanding. By the close of the year market capitalization has crossed the US\$19 billion mark, and average volume trading has picked up substantially. However, liquidity still remained low on

the market and some stocks have virtually become dormant. There is a lot to do to enhance financial literacy and promote confidence on the market. The SEC is very grateful to the Government of Ghana for the support it receives in the development of the securities industry. Following the Capital Market Strategic Plan under the Financial Sector Reforms of the Economic Management Capacity Building (FSR/EMCB) programme, the SEC has initiated a number of projects that will lead to improvement in capital market activity in Ghana. These include programmes to revise the laws of the securities industry to be in tandem with international best practices, automation of surveillance system at the SEC, preparation of feasibility studies as well as the drawing up of rules and regulations on a commodities exchange market and over-the-counter market. Most of these programmes are very near completion.

An area of concern to SEC in the development of the market is certification of personnel in the capital market. SEC is in discussions with the Ghana Stock Exchange and the Ghana Securities Industry Association to establish a Capital Markets Institute which will examine and certify various professionals in the industry. In the meantime, SEC proposes to offer short-term retraining for market participants. In 2008, a second training session was offered for compliance officers in the industry.

SEC also continued with its public and investor education campaign initiated four years ago to sustain investor interest in the capital market.

There are plans in the coming years to embark on intensive outreach programmes with identifiable groups such as the Association of Ghana Industries, The Ghana National Chamber of Commerce, and so on.

## **International Cooperation**

SEC maintained its membership of the International Organization of Securities Commissions (IOSCO). Having been admitted to a signatory 'B' status in 2007, SEC has been making efforts at revising its laws to remove the obstacles for its admission to a full signatory status of the IOSCO Multinational Memoranda of Understanding (MMOU). This is very crucial for SEC, as a full signatory not only provides the sharing of information across borders but also signals to international investors SEC's regulatory conformity with international best practices.

While working towards becoming a full signatory of IOSCO, SEC has signed bilateral MoUs with a number of countries where Ghanaian market operators have interests. These countries include Nigeria, South Africa, Uganda and Tanzania. Discussions are far advanced with regulators in francophone West Africa, Kenya and Zambia for signing similar MoUs.

## **Staff Development and Retention**

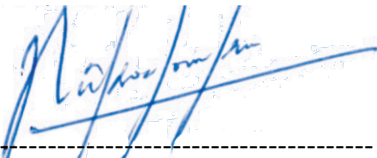
The SEC continued to provide relevant training and development for both professional and general staff members as part of the Commission's overall strategic intent for institutional capacity building. Staff were enrolled in courses both local and external for the enhancement of their capacity. An innovation is the introduction of staff to on-line e-Learning courses, which offer intensive training programmes without dispensing staff work input.

The biggest challenge at SEC remained the high attrition rate of its professional staff. It is very important for the staff to be well remunerated to encourage retention.

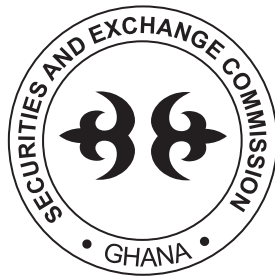
## Conclusion:

While 2008 was a good year, we are mindful of the challenges we are likely to face in 2009. There is a strong likelihood that the 'second round impact' of the global financial crisis will hit Ghana. This will adversely affect international resource inflows, demand for Ghana's exports (particularly the non-traditional exports), and also remittances from Ghanaians resident abroad. Further, there may be possible redemptions by international investors on the Ghana market. These adverse impacts from the global crisis, coupled with weakening in Ghana's own macroeconomic fundamentals beginning in the last quarter of 2008 are likely to pose severe challenges to capital market operators in Ghana in general and the regulators in particular.

The Securities and Exchange Commission stands ready to meet these challenges.



**DR. NII KWAKU SOWA**  
**(DIRECTOR- GENERAL)**



# **The Commission (Board) And Corporate Governance**



# The Commission (Board) And Corporate Governance

## Mandate of the Commission:

The Securities Industry Act (PNDCL 333, 1993 as amended by Act 590), vests the powers of the Securities and Exchange Commission in the Board or Commissioners headed by a non executive Chairman. All the Commissioners are appointed by the President of the Republic of Ghana. Their powers are delegated and executed on their behalf by the Director-General assisted by two Deputy Director- Generals, collectively acting as Executive Commissioners, and a secretariat of professional staff members. The Securities Industry Law that established the SEC provides that the powers and functions of the Board shall be as follows:

To advise the Minister of Finance and Economic Planning on all matters relating to the securities industries

To maintain surveillance over activities in securities and to ensure fair and equitable dealings in securities

To formulate principles for the guidance of the industry;

To protect the integrity of the securities market against any abuses arising from insider trading

To adopt measures to minimize and supervise any conflict of interests that may arise from dealers

To review, approve and regulate takeovers, mergers and acquisitions and all forms of business combinations in accordance with any law or code of practice requiring it to do so;

To examine and approve invitations to the public;

To register, license, authorize or regulate in accordance with this Law or any regulations made under it, stock exchanges, investment advisers, unit trust schemes, mutual funds, securities dealers, and their agents and to control and supervise their activities with a view to maintaining proper standards of conduct and acceptable practices in the securities businesses;

To create the necessary atmosphere for the orderly growth and development of the capital market;

To undertake such other activities as are necessary or expedient for giving full effect to the provisions of the law;

## Members of the Commission:

The Board or the Commission comprise of a non-executive chairman, seven non-executive members and three executive members. Three of the non-executive members represent key stakeholder institutions of great importance to the capital market, namely, the Central Bank, Registrar- General's Department or office and the Ministry of Finance & Economic Planning. The rest represents public interest including the investor public. In all, the SEC has an eleven (11) member board as stipulated by the Securities Industry Law. Members of the Board have a variety of professional and academic backgrounds which helps to provide a balance of skills, knowledge and experience needed for the work of the Commission. Members of the Commission during the reporting year are provided below:



**Table 1: Members of the Board or Commissioners of SEC:**

COMMISSIONERS	REPRESENTATION	MEMBERSHIP STATUS
Prof. G.K.A Ofori-Amaah	Rank of a High Court Judge	Non-Executive Chairman
Dr. Nii Kwaku Sowa	Director - General	Executive Member
Mr. Kenneth Ayikwe Okwabi	Deputy Director - General 1	Executive Member
Mr. Ekow Acquah -Arhin	Deputy Director - General 2	Executive Member
Mrs. Amma Gaisie	Member. (Rep. Of Registrar General's Dept.)	Non-Executive Member
Mr. Francis Badasu	Member. (Rep. Of Bank of Ghana)	Non-Executive Member
Mr. K.B. Oku- Afari	Member. (Rep. Of Ministry of Finance & Economic Planning)	Non-Executive Member
*Ms. Elsie Addo	Member of the public	Non-Executive Member
Ms. Dorothy Gyamfi	Member of the public	Non-Executive Member
Mr. P.K. Buabeng	Member of the public	Non-Executive Member

***\*Resigned her membership on 10<sup>th</sup> June, 2008.***

In 2008, with the exception of Mrs. Elsie Addo Awadzi who resigned her membership from the Board of SEC, membership of the Board remained the same. She resigned on 10<sup>th</sup> June, 2008, bringing total membership to nine (9). It is interesting to note that no new appointment was made to replace Dr. Nii Kwaku Sowa when he assumed the position of a Director-General.

Apart from active participation in general board meetings, Commissioners also played key role in the activities of committees formed by the Board to undertake in-depth deliberations to supplement the work of the Board.

Three main working committees were thus constituted, each with a chairman reporting to the board on their respective deliberations, recommendations and decisions for further discussions and ratification. In 2008, each committee met several times. The Administrative Hearings Committee (AHC), which serves as a judicial body under Act 590, 2001, adjudicates over capital market related matters and disputes. The AHC sits as a high court and did not receive any complaint during the reporting year. It therefore did not sit throughout the reporting year. The number of sittings of each committee is given in the table below:

**Table 2: Working Committees and the number of times each met are provided as follows:**

COMMITTEE	NUMBER OF MEETINGS HELD
Finance & Administration Committee	5
Approvals & Licensing Committee	9
Research & Market Development Committee	4
Administrative Hearings Committee	0

**Table 3: Members of Finance & Administration Committee:**

MEMBERS	STATUS
Mr. P.K. Buabeng	Chairman
Mr. K.B. Oku - Afari	Member
Mrs. Amma Gaisie	Member
Ms. Dorothy Gyamfi	Member
Mr. Francis Badasu	Member
Dr. Nii Kwaku Sowa	Member - (Director - General )
Mr. Kenneth Ayikwe Okwabi	Member - (Deputy Director - General 1)
Mr. Ekow Acquaaah -Arhin	Member - (Deputy Director - General 2)

**Table 4: Members of Research & Market Development Committee:**

MEMBERS	STATUS
Prof. G.K.A Ofosu-Amaah	Chairman
Mr. P.K. Buabeng	Member
Ms. Elsie Addo	Member
Dr. Nii Kwaku Sowa	Member - (Director - General )
Mr. Kenneth Ayikwe Okwabi	Member - (Deputy Director - General 1)
Mr. Ekow Acquaaah -Arhin	Member - (Deputy Director - General 2)

**Table 5: Members of Approvals & Licensing Committee:**

MEMBERS	STATUS
Prof. G.K.A Ofosu-Amaah	Chairman
Mr. F.Q.A. Badasu	Member
Ms. Elsie Addo	Member
Dr. Nii Kwaku Sowa	Member - (Director - General )
Mr. Kenneth Ayikwe Okwabi	Member - (Deputy Director - General 1)
Mr. Ekow Acquaaah -Arhin	Member - (Deputy Director - General 2)

### Deliberations of The Board:

During the reporting year, six (6) Board meetings were held as per the statutory requirements in the Securities Industry Act (SIA). The Chairman ably discharged his responsibilities by ensuring that all Commissioners were properly briefed for Board meetings and that the Board Secretary provided the Board with all relevant information and data in advance of meetings and in appropriate forms. Commissioners were also allowed access to professional staff of the SEC to update and expand their knowledge and familiarity of issues pertaining to both the SEC as an institution and the

securities industry. The Board discussed and decided on several issues in relation to the regulation and development of the securities market. It also ratified decisions of the various Board Committees and discussed ways of improving service conditions to motivate staff and arrest the disturbing high rate of attrition that was adversely affecting the institutional capacity of SEC to oversee the effective development and regulation of the capital market.

In ensuring that the Board was committed to working to the same governance standards expected of listed

companies, Commissioners were enjoined to comply with laid down corporate governance principles of;

- Avoidance of Conflicts of interest
- Confidentiality:
- Impartiality:
- Declaration of interest in securities and other related interests
- Duty of care
- Loyalty to the SEC, investors and the Market
- Independence of mind and opinion
- Consensus building in decision making
- Active participation in the deliberations of the Board

In view of the above, the Chairman carefully guided members of the Board in their discharge of the following functions:

- Exercising the rule- making functions of the Commission
- Making strategic decisions affecting the future operations and resourcing of the SEC, Ghana
- Overseeing the performance of the Executive Commissioners in their day to day management of the Secretariat or the SEC
- Setting policies to manage the human, financial and materials resources of the Commission
- Setting policies to manage risks of the market as well as that of SEC's operations with the aim of achieving the Commission's regulatory objectives; and
- Seeking assurance that the system of internal controls is effective in managing risks in a manner which the Commission approves.

The Commission continued to relate equally with all relevant stakeholders and provided channels of communication in its regulatory and market development activities in line with corporate governance and IOSCO principles of securities regulation. During the year, the Board issued two major important legal documents to the market as follows:

- Code on Mergers and Takeovers
- Compliance Manual for Broker-Dealers, Investment Advisers and their Representatives

In view of increasing cross border investment activities by licensed Ghanaian fund managers and collective investment schemes, Commissioners gave approval to the Director-General and his Secretariat to enter into Memoranda of Understanding (MOU) with regulators in the under-listed jurisdictions to share information on the investment activities of the firms involved. This policy action was taken as a proactive step to protect Ghanaian investors and to shore up their confidence in our market, in the midst of the global financial crisis and its attendant exposure of high profile financial scams and fraud, particularly with respect to the fund management industry worldwide. The Director-General was also given the mandate by the Board to enter into MOUs with other jurisdictions where the secretariat finds very relevant, appropriate and necessary for the protection of Ghanaian investors and where collaboration would be mutually beneficial and could bring portfolio investment dividends to the country.

**Table 6: MOUs signed between SEC, Ghana and other foreign regulators in 2008**

NAME OF THE REGULATOR	PLACE WHERE MOU WAS SIGNED	DATE OF MOU
Financial Services Board, South Africa	Pretoria, South Africa	12 <sup>th</sup> June, 2008
Capital Markets & Securities Authority, Tanzania	Accra, Ghana	3 <sup>rd</sup> July, 2008
Capital Markets Authority, Uganda	Kampala, Uganda	20 <sup>th</sup> October, 2008

## Approvals & Major Decisions of the Board

In the year under review, the Board gave the following licensing and capital raising approvals through the Approvals and Licensing Committee;

**Table 7: License Approvals**

NAME OF FIRM	TYPE OF LICENSE
Vanguard Assurance Ltd	Dealer – Trustee
IFS Capital Ltd	Investment Advisor
PD Associates Ltd	Investment Advisor
GSE Central Securities Depository Ltd	Dealer – Central Securities Depository (CSD)
Soroma Capital Ltd	Investment Advisor
Black Star Brokerage Ltd	Dealer – Broker
African Legacy Finance Ltd	Investment Advisor Dealer - Broker
AfricanAlliance Securities Gh Ltd	Investment Advisor Dealer – Broker
Al-Time Capital Ltd	Investment Advisor
QFS Securities Ltd	Investment Advisor
Ecobank Venture Capital Co. Ltd	Investment Advisor
First BanC Ltd	Investment Advisor
Wealth Management Ltd	Investment Advisor

**Table 8: Offer Document Approvals**

ISSUER	TYPE OF OFFER
HFC Bank Ltd	Rights Issue
Super Paper Products Company Ltd	Rights Issues
Ashanti Goldfields Ltd	Rights Issue
Ecobank Transnational Incorporated	Rights Issue and Public Offer
UT Financial Services Ltd	Initial Public Offer
*CAL Bank Ltd	Rights Issue
TV3 Ltd	Initial Public Offer
Databank Jubilee Fund Ltd	Collective Investment Scheme (CIS) Mutual Fund
Capital Growth Fund	Collective Investment Scheme (CIS) – Unit Trust
Ghana Real Estate Trust	Collective Investment Scheme (CIS) – Unit Trust
iFund Ltd	Collective Investment Scheme (CIS) Mutual Fund
HFC Future Plan Investment	Collective Investment Scheme (CIS) – Unit Trust
*Ghana Real Estate Trust	CIS– Unit Trust
*Aviance Ghana Ltd	Initial Public Offer
*Soroma Real Estate Investment Trust	CIS– Unit Trust
*Merban Fund Ltd	CIS– Mutual Fund

·Approval on hold

### Market Development approvals:

In addition to the above, the Board or the Commission approved and directed the Secretariat to undertake the following activities with respect to

development of the capital market and the SEC as an effective and efficient capital market regulatory institution:

**Table 9:**

<b>Market Development Activity</b>	<b>Objectives</b>
Institutional assessment and development of a five- year strategic plan for SEC	To improve the operational and organizational efficiency and effectiveness of SEC with respect to its statutory mandate over the Securities Industry. It is also meant to assist the SEC exercise effective and efficient regulatory oversight of a securities industry that is dynamic and has undergone drastic changes since the establishment of the SEC in 1998.
Feasibility Study towards the development of a Commodities Exchange/ Market in Ghana-	To ascertain the feasibility of establishing a commodities exchange for soft commodities in Ghana
Feasibility Study of SEC and industry IT systems -	To assist SEC supplement its manual surveillance system with an automated or electronic surveillance and alert/ reporting systems.
Review and amendment of the Securities Industry Law (SIL)	To bring the legal and regulatory framework of the Securities Industry in Ghana up-to-date with international standards and best practices .
Development of Rules & Regulations for an alternative investment / unlisted (OTC) securities Market -	To establish an alternative securities market for unlisted securities and to assist firms in the SME sector of the economy to access relatively cheaper medium to long -term capital on the capital market
Acquisition of modern computers and office equipment	To improve operational efficiency and effectiveness of the SEC through automation
Establishment of a Securities & Investment Institute, Resource Centre/ Library	To build professional capacity of Securities Industry practitioners in Ghana; To set examinations & licensing regime for the industry; To facilitate and improve access to securities information; and to enhance public understanding of the securities industry
Establishment and continuation of an annual Securities Week / Public Education event	To educate and create stakeholder awareness of the securities industry
Development of Regulations for the Real Estate Investment Trust (REIT) Industry	To facilitate the development of the real estate sector of the economy; To enhance regulation of investment fund management in the real estate industry
Training / capacity building of SEC staff	To subject SEC professional staff to training programmes that would enhance not only their professional development, but also their professional service delivery and understanding of securities regulation and market development

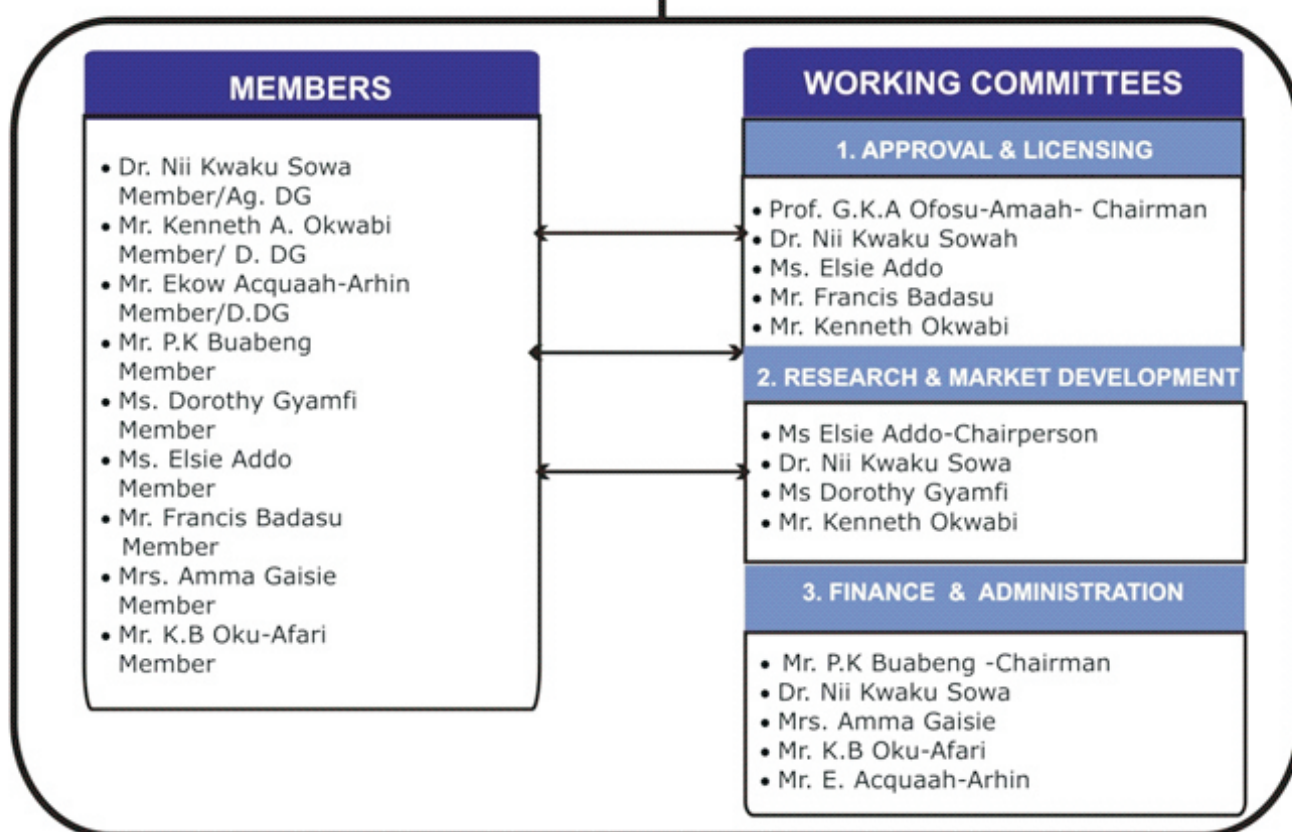


## Corporate Governance Structure:

The corporate governance structure of the Board or the Commission is set out below;

# CORPORATE GOVERNANCE STRUCTURE

**CHAIRMAN OF THE COMMISSION**  
**Prof. G.K.A Ofori-Amaah**





# **Economic Review**



# Economic Review

## Introduction

In 2008, government's fiscal policy direction which was based on growth and stabilization was undermined by the global financial and economic crises which resulted in upward spiral in food and energy prices followed by global economic recession. Locally, the global financial crisis was managed at a very high cost to the economy. This was because the Ghana Government did not want the crises to have serious debilitating impact on the people and the Ghanaian economy. Government was therefore compelled to put in place mitigating measures in the form of tariff reductions and subsidies to stem the significant rise in imported food prices and the cost of energy.

However, as a result of continuous surges in world oil prices, fuel prices had to be increased on several occasions. This had a transmission effect on general local food prices as transport fares were adjusted upwards to reflect the increases in fuel prices. The economy was able to partially absorb some of the impact of the crisis because prices of the country's major exports were quite favourable during the year. The average price of cocoa increased by 29% from US\$2,055 to US\$2,660 per tonne between 2007 and 2008. Gold prices also moved up by 4.5% from an average of US\$840 per troy oz to US\$ 878 per troy oz over the same period. On the downside, oil prices reached a peak of US\$147 per barrel from an average price of US\$94 per barrel in 2007. Thus in 2008, these external shocks in global oil price hikes had the potential to derail the economy in spite of the pursuit of prudent macro-economic and fiscal policies. As the crises worsened, and the government tried to mitigate their effects, the overall budget deficit, excluding divestiture

receipts, widened to 14.9% of GDP by the end of 2008.

The high food and energy prices fed into the country's inflationary expectations, thus exerting severe strain on Ghana Government's expenditure. Year-on-year inflation which was 13.0% at the beginning of 2008 peaked at 18.0% in June mainly as a result of the pass through effect of global energy price hikes including increases in utility tariffs in the country. By mid-year, when international commodity prices started beating a sharp retreat from their peaks, the rate of inflation eased marginally but increased again by the end of 2008 to 18.1%.

In view of its single digit inflationary framework, these inflationary pressures caused the Central Bank to increase its Prime Rate by 350 basis points from 13.5% at the beginning of 2008 to 17.0% by the end of the year. As a result, yield on government securities increased by 1,405 basis points from 10.62% to 25.00% resulting in increases in the average base and lending rates of the commercial banks to the private sector.

In spite of the crises, the sound macro-economic fundamentals laid in the preceding years, assisted the economy to record a growth rate of 7.3% per annum in 2008, compared to 6.4% recorded for 2007. The performance of the economy is among others, attributed to substantial inflows of external financing and debt reliefs under the Highly Indebted Poor Country (HIPC) initiative and rising prices of primary commodities including cocoa and gold being the principal export commodities of Ghana.

## REAL SECTOR DEVELOPMENTS

Performance of the real sector of the economy was fairly strong, particularly as was evidenced by increased pace of economic activity in the private sector. The Bank of Ghana's composite index of economic activity (CIEA) showed strong relative increase in general economic activity throughout the year in spite of the global financial crisis. All the various segments of the real sector of the Ghanaian economy recorded positive growth rates. However, none of the segments could meet their targeted growth levels during the year. The agricultural sector, the largest among the three sectors grew by 4.9% against a growth target of 5.0%. Among the sub-sectors in the agricultural sector, it was only the cocoa, forestry and logging sub-sectors that exceeded their growth targets for the year. The Fisheries sub-sector suffered persistent decline in growth from 15% recorded in 2006 to about 3.0% by the end of 2008.

The industrial sector recorded 8.3% growth against a projected target of 9.8% set for 2008. Apart from construction which exceeded its growth target by 1.0%, all the sub-sectors within the industrial sector recorded lower than projected out turns.

The Service sector grew by 6.9% against an expected

out turn of 7.3%. The lead sector was the financial, real estate and business service sub-sector which contributed 13.0% to the overall growth of the sector. They were followed by the transport, storage and communications sub-sector which grew by 10.0%, out-performing an expected outturn of 8.0% fixed for the reporting year. Details of real performance in the agricultural, industrial and service sectors of the economy are presented below:

**Table 10: Economic Indicators**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008 (Target)</b>
<b>AGRICULTURE</b>	<b>4.5</b>	<b>3.1</b>	<b>4.9</b>	<b>5.0</b>
Crops & Livestock	3.5	4.0	5.5	5.5
Cocoa	2.0	3.5	5.0	4.0
Forestry/ Logging	2.6	2.5	3.5	3.0
Fisheries	15.0	5.0	3.0	5.0
<b>INDUSTRY</b>	<b>9.5</b>	<b>6.6</b>	<b>8.3</b>	<b>9.8</b>
Mining/ Quarrying	13.3	20.0	2.0	7.9
Manufacturing	4.2	2.3	4.0	4.0
Electricity/ Water	24.2	15.0	16.3	22.1
Construction	8.2	15.0	14.0	13.0
<b>SERVICES</b>	<b>6.7</b>	<b>10.0</b>	<b>6.9</b>	<b>7.3</b>
Transport, storage & communications	7.2	10.0	10.0	8.0
Wholesale/retail trade, Restaurants & hotels	7.5	10.0	7.0	10.0
Financial , real estate & business services	9.0	16.0	13.0	13.0
Government services	5.7	8.6	2.7	2.7
Community, social & personal services	4.2	5.0	4.5	6.0
Private & non-profit services	4.0	5.0	5.0	6.0

Source: Ghana Statistical Service

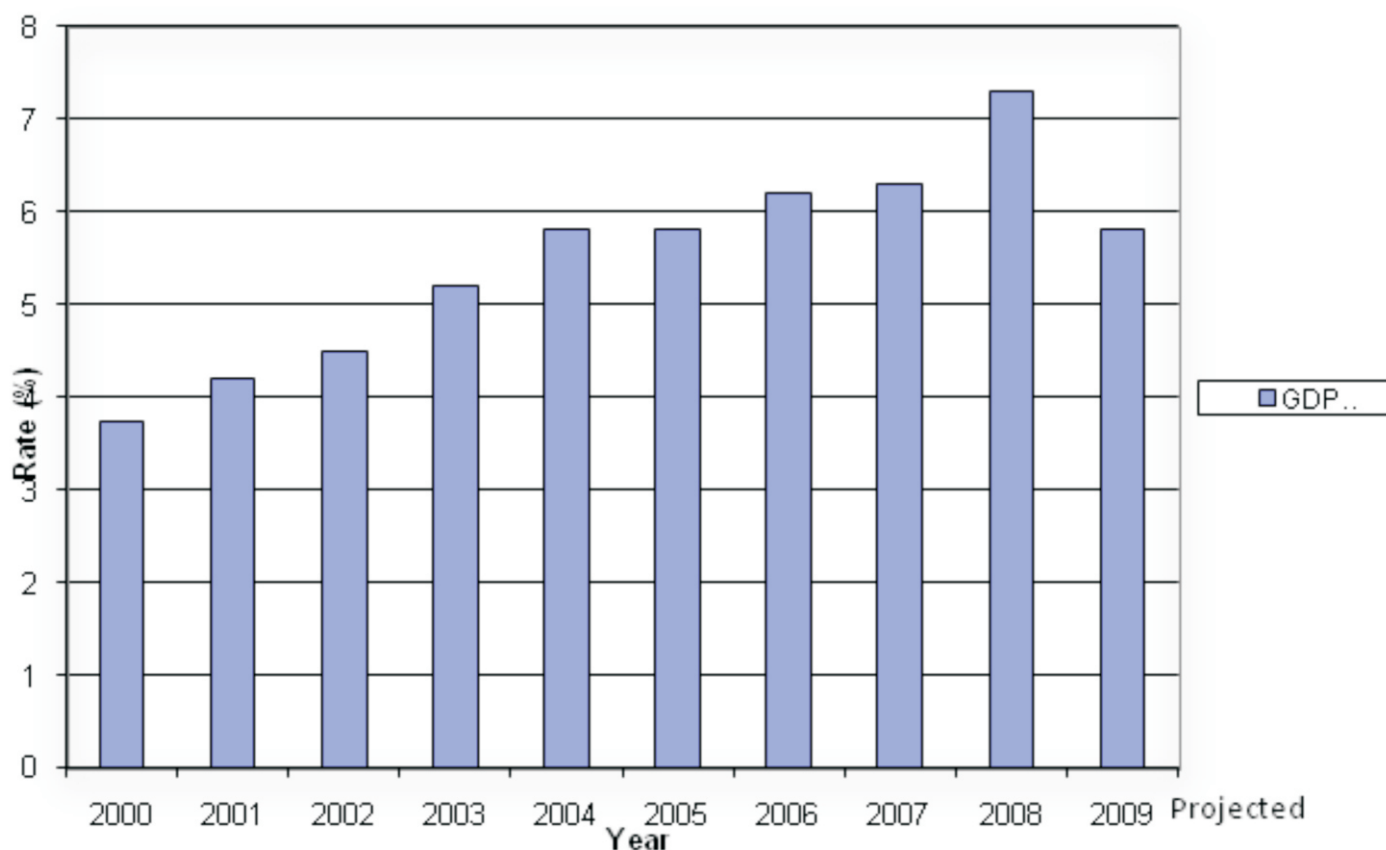
## Real GDP Growth

The relatively higher pace of economic activity in the real sector of the economy helped to record a real GDP growth of 7.3% in 2008, which was higher than in the previous years. This performance also suggests consistent growth trajectory of the Ghanaian economy since 2001.

Over this period, the Ghanaian economy grew on average by 5.0% each year. The graph below illustrates the growth pattern of the economy between 2000 and 2008. In view of the impact of the global financial crisis on the economy, particularly, its effect on local and international resource mobilization, GDP growth projections was lowered to 5.8% for 2009.

Chart 1

GDP GROWTH RATE 2000-2009



**Source:** Ghana Statistical Service/ Ministry of Finance & Economic Planning

These growths also had a positive impact on the growth and development of the country's capital market. With high business and consumer confidence also went along with higher investor confidence and increased level of investment activities on the stock market.

## **MONETARY DEVELOPMENTS**

### **Money Supply**

Bank of Ghana data recorded broad money growth (M2+) of 40.2% for 2008, up from 35.9% in 2007 and 36.3% in 2006. Foreign currency deposits also increased from GH¢992.9 million by the end of 2007 to GH¢1,816.8 million by the end of December, 2008.

Credit to the private sector and public institutions by the Deposit Money Banks increased by 43.9% (GH¢1,820.3 million) compared to an increase of 64.6% (GH¢1,626.7 million) recorded for 2007. Out of the total credit flow in 2008, the private sector absorbed 87.1% (GH¢1,586.2 million). It is however of interest to note that real annual growth of credit to the private sector eased downwards from 41.8% in 2007 to 25.4% in 2008.

Within the private sector, enterprises or business units attracted 77.8% of the total credit flow to the sector, whilst households, mostly in the form of consumer loans, accounted for 20.6%. These figures compares with 69.5% and 28.5% respectively in 2007 and 2006.

At the peak of the global financial crisis, the Central Bank of Ghana intensified its disinflation policy stance with the aim of reducing inflationary expectations and maintaining exchange rate and price stability. For this reason, the Bank continued to tighten its monetary policy which was deemed necessary to break up the pent up price inflation dynamics and that of exchange rate expectations. In line with this, the Monetary Policy Committee of the Central Bank, raised the Prime Rate thrice during the year, from 13.5% at the beginning of the year to 14.25% per annum in March to 16.0% per annum in May and then to 17.0% per annum in July, which ran the remaining course of the year. This brings a cumulative increase in the Prime Rate in 2008 to 350 basis points.

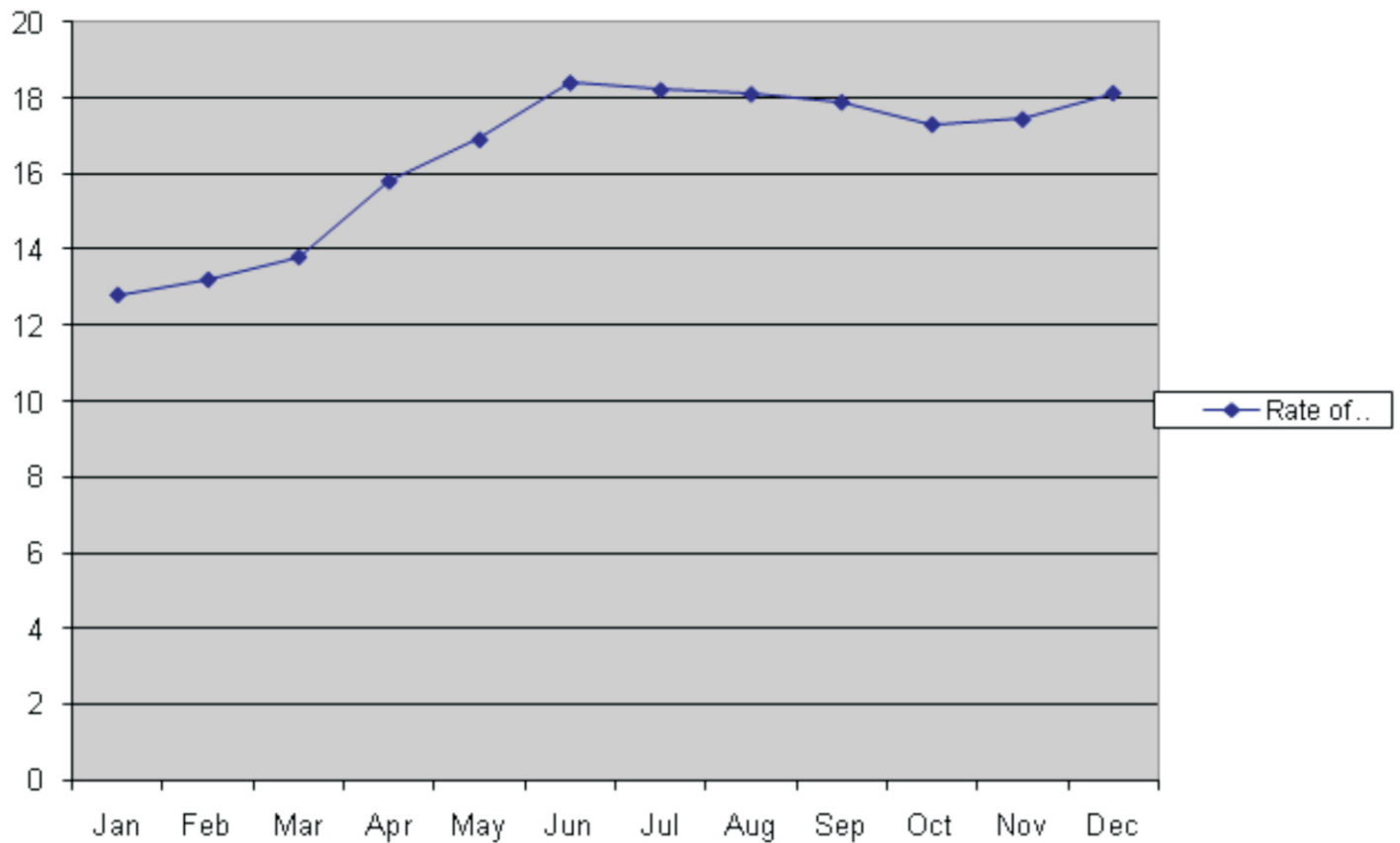
### **Inflation**

As indicated above, inflationary pressures were high throughout 2008. This was occasioned by spikes in crude oil and global food prices, especially during the first half of the year. These two global economic phenomena had a pass-through effect on domestic prices and was exacerbated by strong domestic demand growth and fast pace of economic activity. The expansionary fiscal policy of the Central Government during the year also went in to fuel inflation.

Figures released from Ghana Statistical Service shows an increase in food inflation from 10.5% at the end of December 2007 to 16.7% at the end of 2008. Non-food inflation also shot up from 14.4% to 19.1% over the same period. Core inflation, which excludes energy and utility components, increased from 9.4% at the end of 2007 to 13.9% by the end of 2008. In summary, year-on-year inflation which stood at 12.7% at the beginning of the year, peaked at 18.4% in June and trended downwards from July with the let up in world commodities prices, particularly crude oil. It however, started moving up again and ended the year at 18.1%. The accompanying graphs below depicts inflationary trend throughout 2008.

**Chart 2:**

**Rate of Inflation: January - December 2008**



**Chart 3:**

**Headline and Core Inflation (%)**



## Interest Rate

As already indicated above, increasing inflationary pressures in 2008, compelled the Central Bank to increase the Prime Rate on three occasions. This in turn triggered off interest rates increases in money market instruments as well as upward revision in average base and lending rate quotations of the country's Deposit Money Banks (DMBs). The yield on the benchmarked 91-Day Treasury Bill increased by 1,405 basis points from 10.6% per annum at the beginning of 2008 to 24.7% by the end of the year. Similarly, the 1-Year Treasury note also increased from 12.3% to 20.0% over the same period.

## Exchange Rates

The high inflationary regime and worsening balance of payments position of the economy engendered increased volatility in the value of the local currency, the Cedi, on the foreign exchange market. In contrast to the moderate annual depreciation in the value of the Cedi, of less than 5%, experienced over the past three years, by the end of 2008, the Cedi had depreciated by 26.4% against the United States Dollar. It also depreciated against the Euro by 17.5%. The Ghana Cedi however appreciated by 9.0% in relation to the British Pound Sterling.

## FISCAL DEVELOPMENTS

### Total Revenue and Expenditure

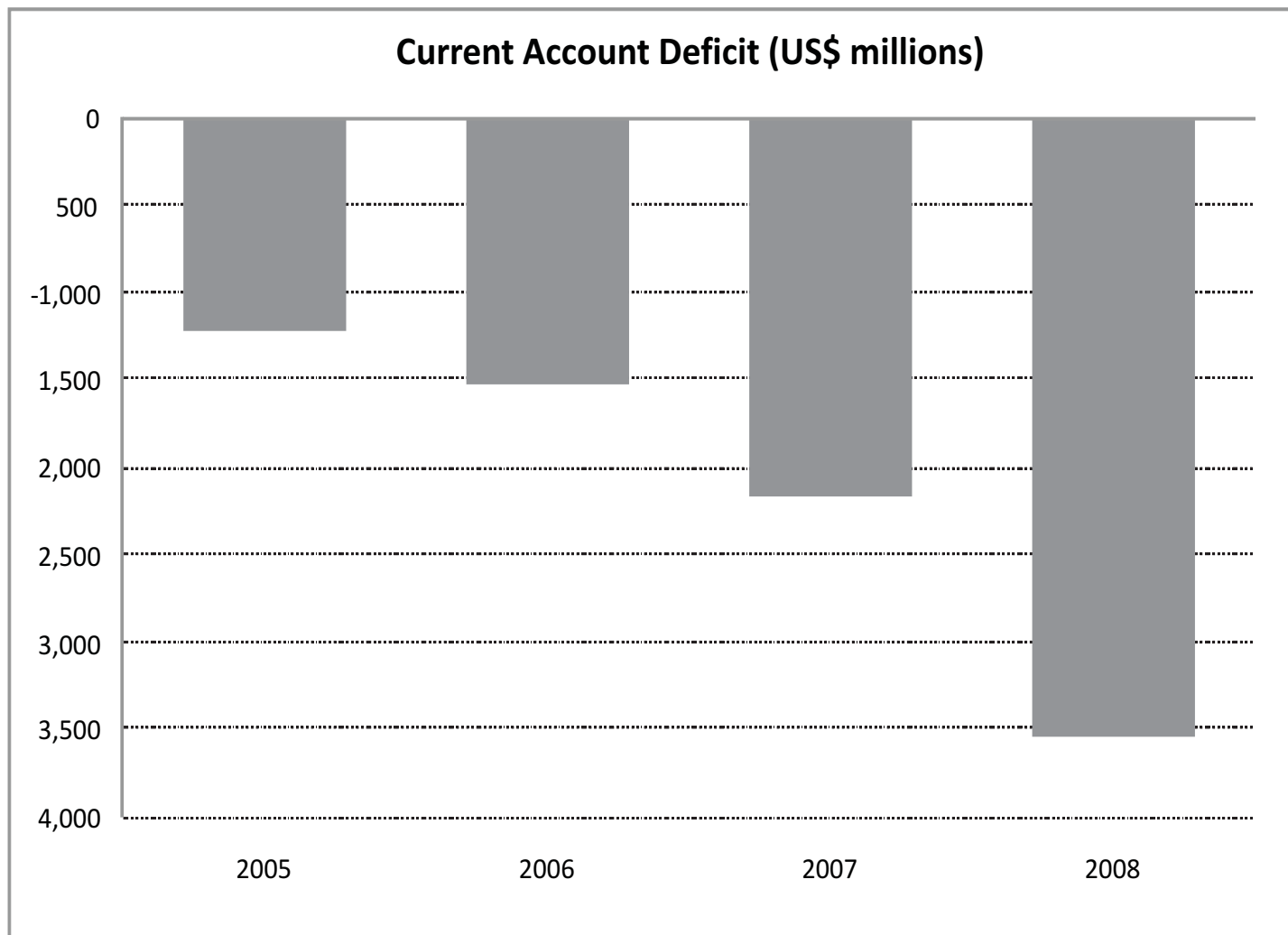
Fiscal policy during 2008 has been expansionary with robust growth in both revenue and expenditure outturn. These developments were in line with strong momentum in economic activity experienced during the reporting year. Total revenue including grants was 32.7% of GDP (GH¢5,619.7 million), compared with 32.1% of GDP (GH¢4,508.2 million) recorded in 2007.

Total expenditure on the other hand, was 46.5% of

GDP (GH¢8,009 million) compared to 40.2% of GDP (GH¢5,611.1 million) in 2007. These fiscal developments resulted in a budget deficit of 14.9% of GDP, up from a deficit of 8.1% of GDP and 7.7% of GDP for 2007 and 2006 respectively.

Total merchandise export amounted to US\$5,275.3 million as against total merchandise import of US\$10,260.9 million. This translates into a provisional merchandise trade deficit of US\$4,985.7 million. Exports of cocoa beans and products contributed to 28% of total merchandise exports in 2008, whilst the contribution of gold export was 43%. The share of non-traditional exports was 18%. On the import side, oil imports absorbed 23% of the country's total import bill. The annual growth of non-oil imports went up by 32.5% in 2008. Similarly, the current account deficit went up from US\$2,151.5 million to US\$3,473.5 million between 2007 and 2008. The graph below shows that the deficit widened than in the previous years.

**Chart 4: Current Account Deficit in 2008**



**Source:** Bank of Ghana

The overall balance of payments was in a deficit of US\$940.7 million as at the end of 2008, reversing a surplus of US\$413.1 million in 2007. Gross international reserves at the end of the reporting year stood at US\$2,036.2 million, representing 1.8 months of import cover of goods and services.





# **Capital Market Developments**



# Capital Market Developments

## INTRODUCTION

Compared to other stock exchanges in Sub-Saharan Africa, the Ghana Stock Exchange (GSE) was the best performing exchange on the continent in 2008. Among the exchanges in Africa, only three posted positive index return including the GSE. The underlying reason among others, for the poor performance of stock markets in Africa was due to the credit crisis in Europe and America. Although, financial markets in Africa have no direct linkage to the global crisis due to limited integration with the global economy and its financial system, the second generation impact of the global recession on the real economy was quite significant on capital markets of many African countries.

The crisis caused foreign institutional and other investors such as hedge funds and other fund managers who were in need of cash to redeem or liquidate their investments on the bourses in African countries.

This was to enable them liquidate their debts and repair their worsening balance sheets at home. The worst hit exchanges in Sub-Saharan Africa included those on which foreign institutional investors and hedge funds had invested heavily in stocks in the tourism, financial, construction, energy and telecommunications sectors over the past five years. In most countries, the market became highly illiquid as fewer investors were willing to buy shares on the stock market and redemption of investments became rife with telling effect on fiscal and monetary positions of affected economies .

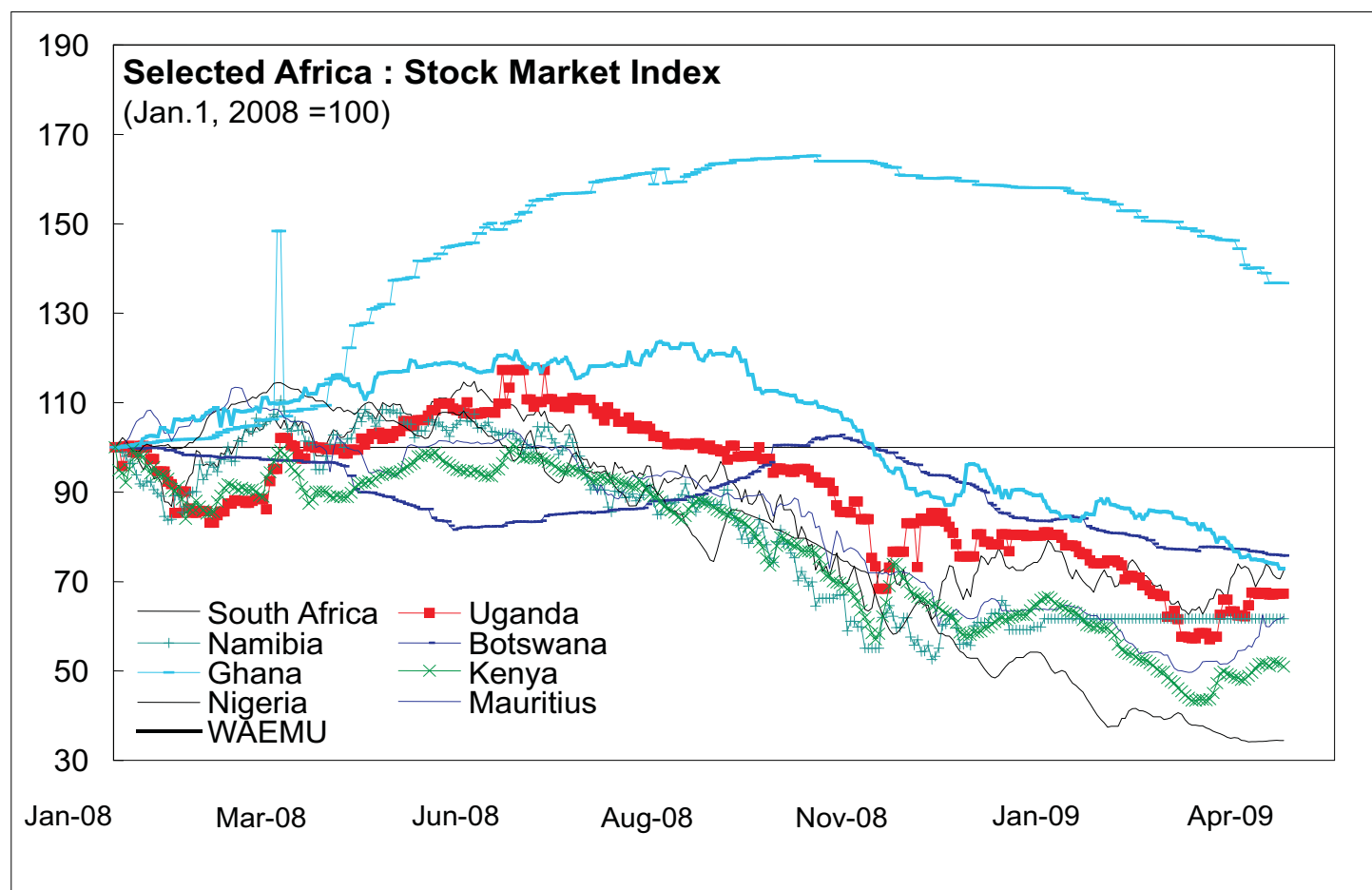
The table and graph below illustrates the performance of stock exchanges in Africa. Apart from Ghana, Malawi and Tanzania, the rest of Africa made negative returns in 2008.

**Table 11: Performance of African Stock Markets in 2008**

COUNTRY	INDEX	INDEX RETURN (US \$)	END OF YEAR INFLATION (%)
Botswana	Domestic	-25.60%	12.10
Egypt	Case 30	-61.72%	14.40
Ghana	All -Share	58.06%	18.13
Kenya	NSE 20	-51.50%	18.20
La Cote D'ivoire	BVRM	-22.79%	-
Malawi	Domestic	26.69%	7.90
Mauritius	SEMDEX	-48.56%	8.80
Morocco	MASI	-31.13%	3.20
Namibia	Overall	-57.24%	9.70
Nigeria	All- Share	-54.57%	13.70
South Africa	All- Share	-47.35%	11.00
Tanzania	Composite	3.54%	9.10
Tunisia	TUNINDEX	-61.72%	5.90
Uganda	All- Share	-37.56%	12.40
Zambia	LASI	-41.11%	12.10

**Source:** SEC: Research & Market Development Dept

**Chart 5**



**Source:** SEC: Research & Market Development Dept.

## THE CAPITAL MARKET IN GHANA

During the period under review, all the segments of the capital market in Ghana, which comprise of the stock and bond markets, the fund management industry (i.e., collective investment schemes and investment advisory), together with the supporting and ancillary services such as registry, clearing, custodial and trusteeship services, showed remarkable robustness and growth. By and large, the Ghanaian capital market was partially spared from the devastating effects of the global economic shock- waves that spread from the epicenter of toxic mortgage- backed securities and credit crunch in the United States.

Whilst stock markets around the world were heavily pounded by massive erosion in the values of listed equities and other asset classes, the Ghanaian Stock Market posted an impressive year-to-date gain of 58.06% by the end of December, 2008, thus making Ghana the best performing market in the world for the year.

In the reporting year, the number of listed equities increased from thirty- two (32) in 2007 to thirty- five (35), whilst the number of licensed market operators also increased from seventy-three (73) in 2007 to ninety-six (96) as follows:

**Table 12: Licensed Market Operators**

Licensed Market Operators	2008	2007
Investment Advisers	38	34
Broker- Dealers	20	18
Mutual Funds	9	8
Unit Trusts	6	4
Custodians	4	4
Trustees	2	1
Central Securities Depository	1	0
Registrars	4	3
Listed Companies	35	31
Stock Exchange (GSE)	1	1

**SOURCE:** SEC - Research & Market Development Department

The net asset value of the collective investment scheme sector increased from GH¢123,437,747.32 in 2007 to GH¢141,590.568.09 in 2008, representing an industry growth of 15%. Funds under the management of investment advisers also recorded remarkable increase from GH¢390,982,911.10 to GH¢544,481,903.79 over the same period. This indicates 40% growth over the previous year.

## THE EQUITY MARKET

Beginning the year with 6,718.88 points, the GSE All-Share Index continued to gather steam to close the year at 10,431.64 points, posting an annual index return of 58.06%. The main drivers for the impressive

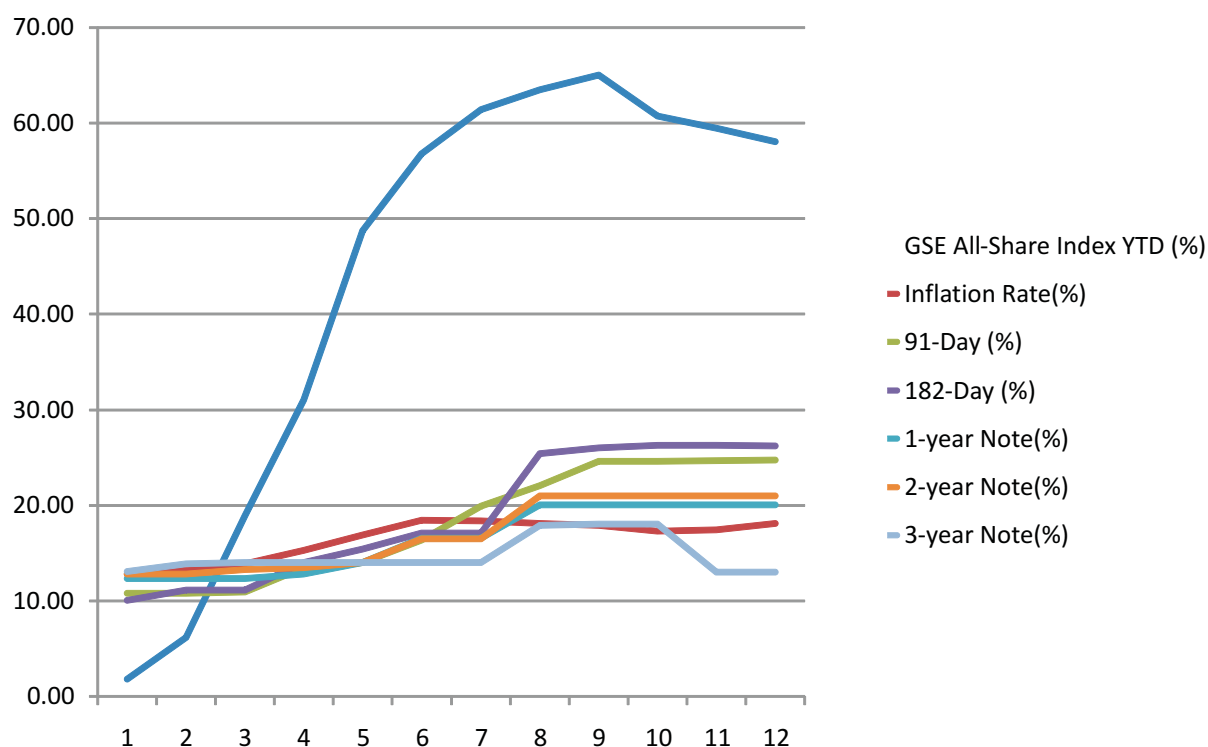
performance of the Ghanaian stock market have been due to the attraction of financial stocks, new listings, the relative macro-economic and political stability and attractive real rate of return on stock market investments compared to other financial instruments in the country, particularly, those in the money market. In the first two months of the reporting year, the real rate of return on stock market investments was in the negative compared to such money market instruments as the 91- and 182-Day Treasury Bills.

However, from March to the end of the year, the stock market index outperformed the rate of inflation and returns on all money market instruments such as the 91-Day and 182-Day Treasury Bills. This caused investors

to shift their preference from the money market to the stock market.

The graph below illustrates the performance of the GSE All-Share Index over rates of inflation and other asset classes in the money market;

**Chart 6**



**Source:** SEC - Research & Market Development Dept.

## Secondary Market Activity

As inflation began to peak with rising international commodity prices throughout the first half of the year, money market instrument became less attractive in the face of impressive stock index performance. This scenario resulted in a shift in investor preference for long-term securities such as shares. Thus, 2008 could be said to represent the high watermark in the history of the Ghana Stock Exchange (GSE) with respect to trading volumes and its corresponding trade values. Secondary market trading of listed shares was very brisk in comparison with what was traded last year. Compared

to 287.22 million shares traded in 2007, total volume of shares traded in 2008 increased to 545.79 million, representing an increase of 90.0% over the previous year. Likewise, the total value of shares traded increased from GH¢140.71 million to GH¢380.35 million, representing an increase of 171.0% over the same period. The trading statistics for the year are captured in the table and graph as illustrated below.

**Table 13: Trading activities on the GSE in 2008.**

Month	Volume Traded (Million)	Value Traded (GH¢'000')	No. of Listed Companies	Market Capitalization (GH¢ Million)	GSE All - Share Index	GSE All-Share Index (Year to Date Change - %)	Inflation Rate (%)	91 - Day (%)	182 - Day (%)	1- year note	2 - year fixed note	3 - year rate bond
Jan	22,164.30	11,591.79	34	12,513.05	6,720.00	1.80	12.80	10.76	10.05	12.30	12.80	-
Feb	39,610.00	22,564.43	34	13,426.32	7,005.29	6.14	13.20	10.79	11.11	12.30	12.80	-
Mar	21,477.90	17,237.67	34	13,961.62	7,848.14	18.9	13.90	10.91	11.13	12.30	13.30	14.00
April	66,270.00	112,940.00	34	14,897.37	9,349.59	31.05	15.29	13.41	14.04	12.80	13.50	14.00
May	23,912.10	23,110.00	34	15,190.72	9,815.22	48.72	16.90	14.00	15.40	14.00	14.00	14.00
June	15,654.60	9,090.00	34	15,587.76	10,346.30	56.77	18.41	16.32	17.13	16.50	16.50	-
July	327,010.10	156,081.41	34	17,852.38	10,650.72	61.38	18.31	19.85	-	-	-	-
Aug	10,700.00	16,950.00	34	17,953.91	10,790.95	63.50	18.10	22.06	25.46	20.00	21.0	17.86
Sept	3,251.00	4,713.12	34	18,119.78	10,890.80	65.02	17.89	24.58	26.00	20.00	21.0	18.00
Oct	3,476.30	1,726.09	34	18,057.51	10,788.29	60.73	17.30	24.59	26.28	20.00	21.00	18.00
Nov	10,461.40	3,233.34	35	17,984.69	10,573.43	59.47	17.40	24.64	26.30	20.00	21.00	13.00
Dec	1,797.70	1,122.40	35	17,895.12	10,431.64	58.06	18.10	24.71	26.26	20.00	21.00	13.00

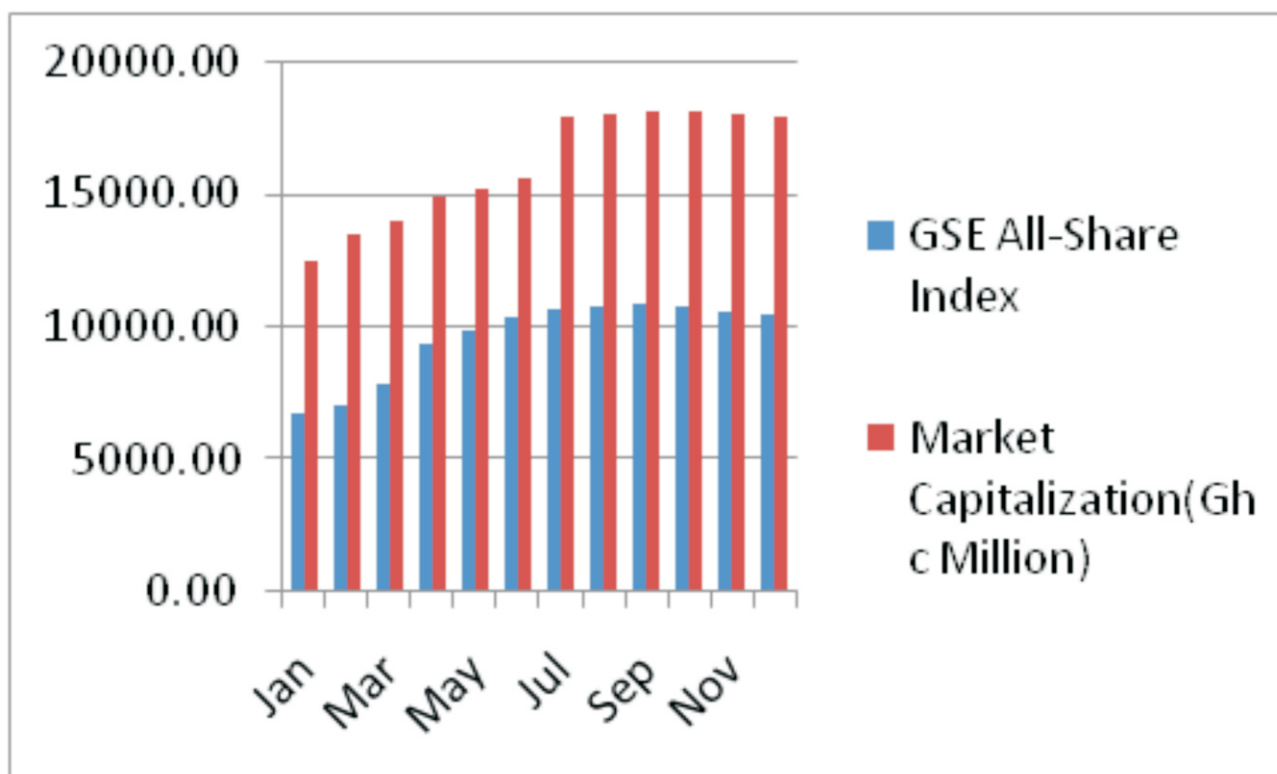
**Source:** Ghana Stock Exchange of SEC

However, market activities on the Ghana Stock Exchange began to slow down in the last quarter of 2008, when the macro-economic situation started a downward slip and the “cashing out or profit taking” syndrome of the global credit crunch began to have an effect on stock market activities. Moreover, Increase in Inflation and rising inflationary expectations started to generate 'profit taking behavior' in investors. Fear of losing money in an inflationary environment and also in a global environment in which stock values on most global stock exchanges have virtually been wiped out, caused the GSE year-to-date change in index to slide down from 65.73% in September to 58.06% by the end of December, 2008. As at the close of the year, these forces were still at work and are likely to generate bearish market sentiments for the Ghanaian bourse in 2009.

## Market Capitalization

Total market capitalization which is represented by the total number of listed shares multiplied by their market price at the end of the year, increased from GH¢12,368.60 million in 2007 to GH¢17, 895.12, showing an increase of 45% over the previous year. It is interesting to note that two listed equities alone, AnloGold Ashanti and Ecobank Transnational (AGA and ETI), contributed to 76% of the total market capitalization in 2008, showing high market concentration in the listed equities market in Ghana.

**Chart 7**



## Market Concentration

Market concentration measured by market capitalization of the top five highly capitalized listed companies on the Ghana Stock Exchange, decreased marginally from 89.4% in 2007 to 88.0% in 2008.

It was 91.7% in 2006, showing gradual decline over the past three years. AngloGold Ashanti controls 59.0% of the total market capitalization of the Ghana Stock Exchange. This makes the Ghanaian stock market highly concentrated and heavily susceptible to any volatility swings in the shares of AngloGold Ashanti. Throughout 2008, AngloGold Ashanti shares did not witness any price change indicating high level of illiquidity in that equity.

This largely accounts for the general low level of liquidity on the Ghanaian stock market. It must however be indicated that the market dominance of AngloGold Ashanti has been on the decline since 2006. The equity's share of total market capitalization dropped from 73.5% in 2006 to 67.0% and 59.0% in 2007 and 2008 respectively. Ecobank Transnational (ETI) has also consistently increased its share of total market capitalization from 12.3% in 2006 to 14.0% and 17.0% between 2007 and 2008. Golden Star Resources, the second gold mining company after AngloGold Ashanti to list on the Ghana Stock Exchange, displaced Ghana Commercial Bank from the list of top five most capitalized companies on the Ghana bourse. The table below illustrates the level of market concentration on the Ghana Stock Exchange.

**Table 14: Top Five Most Capitalized Companies on the GSE**

Listed Equity	Equity Code	Issued Shares (Million)	Market Capitalization (GH¢ Million)	% Share of Total Market Capitalization (2008)	% Share of Total Market Capitalization (2007)	% Share of Total Market Capitalization (2006)
AngloGold Ashanti	AGA	349.79	10,493.06	59.0	67.0	73.5
Ecobank Transnational	ETI	6,774.77	3,048.65	17.0	14.0	12.3
Golden Star Resources	GSR	235.43	729.82	4.0	-	-
Ecobank Ghana	EBG	161.23	725.54	4.0	2.6	2.0
Standard Chartered Bank	SCB	17.60	668.65	4.0	3.7	2.5
<b>TOTAL</b>	5	7,774.25	15,665.72	88.0%	89.4%	91.7%
Overall Total Market Capitalization of the GSE			17,895.12	100	12,368.60	11,249.60

**Source:** SEC – Research & Market Development Department.



## Market Liquidity

Despite the historic increase in the volume of shares traded in 2008, market liquidity generally remained low. Market liquidity which measures the number of times or the rate at which shares changes hands on the Ghana Stock Exchange, increased from 0.01% in 2007 to 3.00% in 2008, thus halting the persistent decline in stock market liquidity since 2004. This is attributed to combination of factors including continuous public and investor education campaigns initiated by the Securities And Exchange Commission in collaboration with the Ghana Stock Exchange and the Ghana Securities Industry Association as part of the 'securities week'.

The industry was also supported by the Ministry of Finance and Economic Planning to undertake a “National Financial Literacy” programme, which involves stakeholders in the financial industry in Ghana. It is aimed at bringing financial literacy to the door steps of ordinary Ghanaians. Automation of trading, clearing and settlement and depository activities on the Ghana Stock Exchange, along with the approval and adoption of new trading rules also facilitated in the improvement of market liquidity. The above factors were reinforced by the relatively stable political and macro-economic environment which helped to shore up investor confidence in the market and thereby leading to brisk market activity during the year.

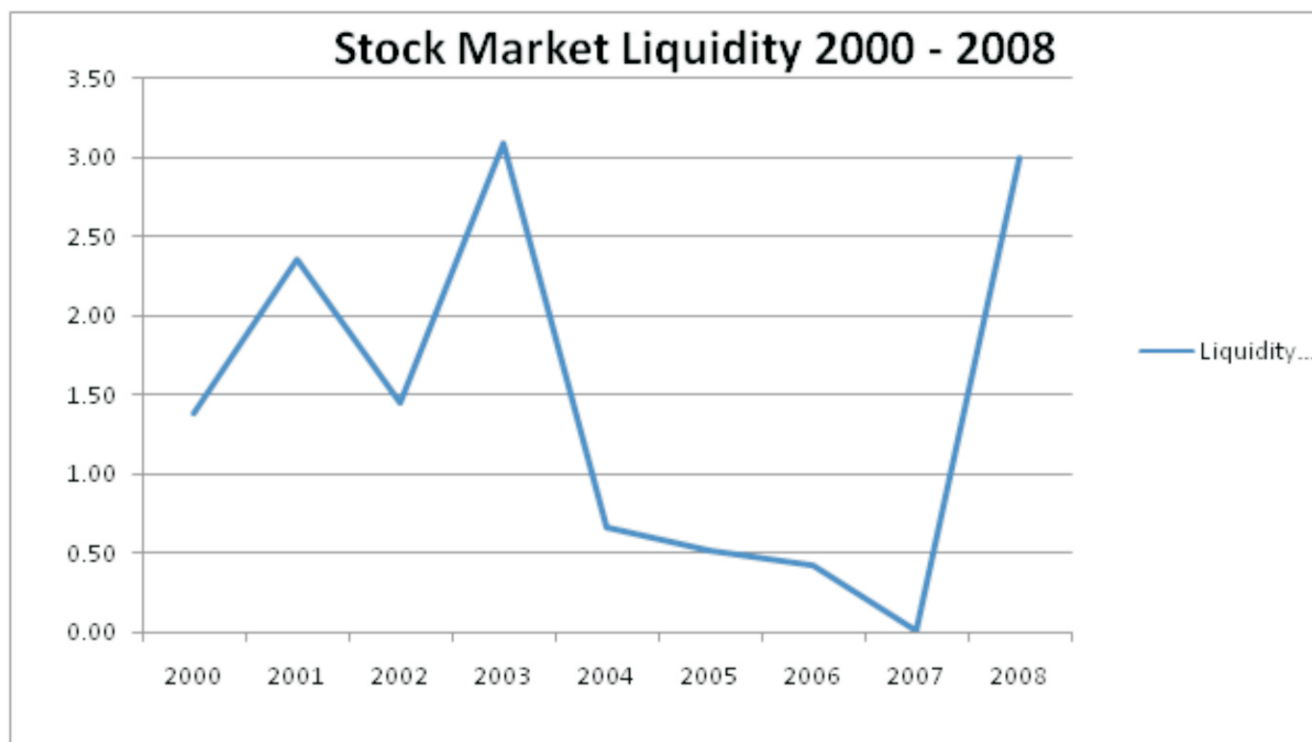
**Table 15: Stock Market Liquidity on the GSE: 2000 - 2008**

Year	GSE Allshare Index (%)	Total Value of Shares Traded (GH¢ milion)	Total Market Capitalization (GH¢ million)	Liquidity Ratio (%)
2000	16.55	5.06	365.50	1.38
2001	11.42	9.23	390.40	2.36
2002	45.96	8.94	618.38	1.45
2003	154.67	38.33	1,261.68	3.09
2004	91.33	65.59	9,761.48	0.67
2005	-29.85	46.44	9,185.73	0.51
2006	4.97	47.60	11,249.60	0.42
2007	31.84	140.71	12,368.60	0.01
2008	58.06	545.79	17,895.12	3.00

**Source :** Compiled from GSE & SEC Statistics



**Chart 8:**



### Primary Stock Market Activity

Despite the global economic downturn, primary Stock Market activities in 2008 were quite brisk. During the reporting year, the Securities And Exchange Commission approved four rights issues and one Initial Public Offer (IPO) which raised a total of GH¢37,416,020.00 and US\$2.3 billion. With the exception of AngloGold Ashanti and Ecobank Transnational, all the remaining issues were oversubscribed.

Approval was also given to a private television station (TV3), to raise a total GH¢ 7,008,827.00 through an initial public offer (IPO).

However, due to fears of low investor confidence during the last quarter of the year, the IPO was shelved. During the year, an application of a service provider in the aviation industry, Aviance Ghana Ltd., to raise capital on the primary market was turned down by the SEC on grounds of merit. Cal Bank also submitted but later withdrew its application to raise an amount of GH¢ 55.0 million through a rights issue. The withdrawal was also premised on the perception of low investor confidence during the last quarter of the reporting year.

**Table 16: Public Offers on the Equities Market in 2008**

<b>Issuer</b>	<b>Type of Issue</b>	<b>Amount Raised (GHC)</b>	<b>No. of Shares Issued</b>
UT Financial Services	Initial Public Offer	27,087,900.00	90,239,000
HFC Bank Ltd.	Rights Issue	9,918,620.00	25,432,359
SuperPaper Products	Rights Issue	409,500.00	13,000,000
AngloGold Ashanti	Rights Issue	US\$ 1.77 billion	64,470,442
Ecobank Transnational Incorporated (ETI)	Rights Issue + Offer for subscription	US\$568,880,651.00	496,614,998
<b>TOTAL</b>			<b>689,756,799</b>

## THE BOND MARKET

The total number of Government of Ghana (GOG) Bonds listed on the GSE was 141 with a total face value of US\$1,509.60 million whilst the only listed corporate bond by HFC Bank stood at US\$6.40 million. The value of Standard Chartered Bank's Medium Term Notes listed on the GSE remained at US\$35.0 million.

On the secondary market, none of the listed bonds changed hands during the year. Secondary market trading of these bonds on the GSE generally remained dormant throughout the period under review. This is mainly attributed to the "buy and hold" behaviour of investors on the market. These investors are mainly institutions who hold on till maturity.

## THE COLLECTIVE INVESTMENT SCHEME (CIS) MARKET

The Collective Investment Scheme industry which consists of Mutual Funds and Unit Trust Schemes, represent one of the fastest growing segments of the financial industry in Ghana, as it allows for small and flexible investments by ordinary Ghanaians. The collective investment schemes have provided vast opportunities for small investors to pool resources to collectively participate in the capital market which hitherto was perceived as the preserve of the rich and the elites in society. The continuous public education campaign mounted by the SEC is gradually breaking cultural and psychological barriers to savings and investment in the country. In the reporting year, there were seven (7) Mutual Funds and Four (4) Unit Trust Schemes operating in the CIS Market with a total net asset value of GH 149, 581,990.74. The entire industry made an average return/ annualized yield of 25.81% for investors, compared to 21.30% industry average return in 2007.

**Table 17: PERFORMANCE OF COLLECTIVE INVESTMENT SCHEMES IN 2008**

<b>MUTUAL FUNDS</b>		<b>Manager of Scheme</b>	<b>Net Asset Value (GH¢)</b>	<b>No. of Shareholders</b>	<b>Scheme Performance (Annualized Yield /return %)</b>
1.	Anidaso Mutual Fund Ltd	New Gen. Investment. Ser. Ltd	631,666.65	1,081	29.00
2.	Campus Mutual Fund Ltd	SDC Brokerage Ltd	279,274.70	1,176	31.70
3.	Databank Balanced Fund Ltd	Databank Asset Mgt. Serv. Ltd	3,465,336.41	4,219	18.30
4.	EPACK Investment Fund Ltd	Databank Asset Mgt. Serv. Ltd	86,541,947.90	72,018	-2.66
5.	Fortune Fund Ltd	SAS Investment Mgt. Ltd	1,749,744.75	1,867	43.00
6.	Horizon Fund Ltd	NTHC Ltd	8,865,243.39	6,364	23.88
7.	Money Market Fund Ltd	Databank Asset Mgt. Serv. Ltd	17,692,384.26	20,137	18.00
<b>UNIT TRUSTS</b>		<b>Manager of Scheme</b>	<b>Net Asset Value (GH¢)</b>	<b>No. of Unit holders</b>	<b>Scheme Performance (Annualized Yield return %)</b>
1.	Gold Fund	Gold Coast Securities Ltd	3,632,182.66	2,578	37.32
2.	HFC Equity Trust	HFC Investment Services Ltd	4,031,030.02	2,414	38.89
3.	HFC REIT	HFC Investment Services Ltd	2,068,051.00	279	28.37
4.	HFC Unit Trust	HFC Investment Services Ltd	20,625,129.00	15,934	18.7
<b>TOTAL</b>			<b>149,581,990.74</b>	<b>128,067</b>	<b>25.81 (Average industry yield/return)</b>

**Source:** Research & Market Development Department

From the table above, the total net asset value of Mutual Funds and Unit Trust schemes increased from GH¢123,437,747.32 in 2007 to GH¢149,581,990.71, representing an industry growth of 21.18% over the previous year. Total amount of funds mobilized also increased by 7% over the same period. The total number of unit/ share- holders in the schemes went up from 99,167 in 2007 to 123,265 in 2008, representing growth in industry shareholder base of 25%.

## MARKET SHARE IN THE INDUSTRY

From 69.8% of share in total industry net asset value in 2007, Databank's Epack Investment Fund continued to maintain its lead position as the largest collective investment scheme in Ghana in 2008, but with a drop in market share of 57.86% of total industry net asset value. It also has 56.23% of the industry's total customer base, down from 61.00% in 2007. In terms of total net asset value, HFC Unit Trusts came second with 13.79% market share, but came third with a customer base of 12.44%. The only money market fund, the MFund placed second with 17.72% of the industry's customers. It was also the third largest fund with 11.84% of the industry's total net asset value under its management.

Out of a total of cGH 63,822,614.87 mobilized by the industry in 2008, Epack's total share was 58.40%. This was followed by the MFund and HFC Equity Fund with 25.30% and 6.30% respectively. Details of market share position of the funds are captured in the table below:

**Table 18: Market Share and Performance in the Collective Investment Scheme Industry**

	Name of Scheme	Amount Mobilized in 2008 (GH¢)	Share of Total Amount Mobilized in 2008 (%)	Share of Customer base (%)	Share of Total Net Asset (%)	Annualized Yield -2008 (%)	Annualized Yield-2007 (%)
	MUTUAL FUNDS						
1.	EPACK Investment Fund Ltd	37,277,295.47	58.4	56.23	57.86	-2.66	48.61
2.	HFC Unit Trust	625,623.80	0.98	12.44	13.79	18.7	12.75
3.	Money Market Fund Ltd	16,149,749.43	25.30	17.72	11.84	18.00	11.99
4.	Horizon Fund Ltd	31,390.34	0.06	4.97	5.94	23.88	1.00
5.	HFC Equity Trust	4,027,142.03	6.30	1.89	2.70	38.89	34.19
6.	Gold Fund	1,117,478.35	1.76	2.01	2.35	37.32	28.45
7.	Databank Balanced Fund Ltd	2,675,625.70	4.19	3.29	2.32	18.30	N/A
8.	HFC REIT	94,232.14	0.14	0.22	1.39	28.37	17.50
9.	Fortune Fund Ltd	1,374,058.34	2.15	1.48	1.18	43.00	23.03
10.	Anidaso Mutual Fund Ltd	375,854.90	0.59	0.84	0.44	29.00	35.99
11.	Campus Mutual Fund Ltd	73,714.37	0.14	0.92	0.19	31.70	N/A
	<b>TOTAL</b>	<b>63,822,614.87</b>	<b>100.00</b>	<b>128,067</b>	<b>100.00</b>	<b>25.81 (AV.)</b>	<b>21.30 (AV.)</b>

**Source:** Research & Market Development Department

Total redemptions in the industry amounted to GH¢54,397,875.77 representing 38.4% of total net asset and 86% of total funds mobilized in 2008.

## **Running Cost In The Collective Investment Scheme Industry**

Overall industry cost- efficiency which is measured by total industry running cost over total net asset value of the industry went up from 2.22% in 2007 to 2.75% in 2008. NTHC's Horizon fund recorded the best cost- efficiency of 0.07% with an annualized yield/ return of 23.88% in 2008. It was followed by Databank's MFund with 1.57% and an annualized yield of 18.00%. HFC Equity Fund made the highest return of 38.89% for its unit holders with cost-efficiency of 1.73%. At an annual cost efficiency ratio of 3.36%, Gold Coast Securities' Gold Fund made the next highest annual return of 37.32% for its investors or shareholders in 2008.

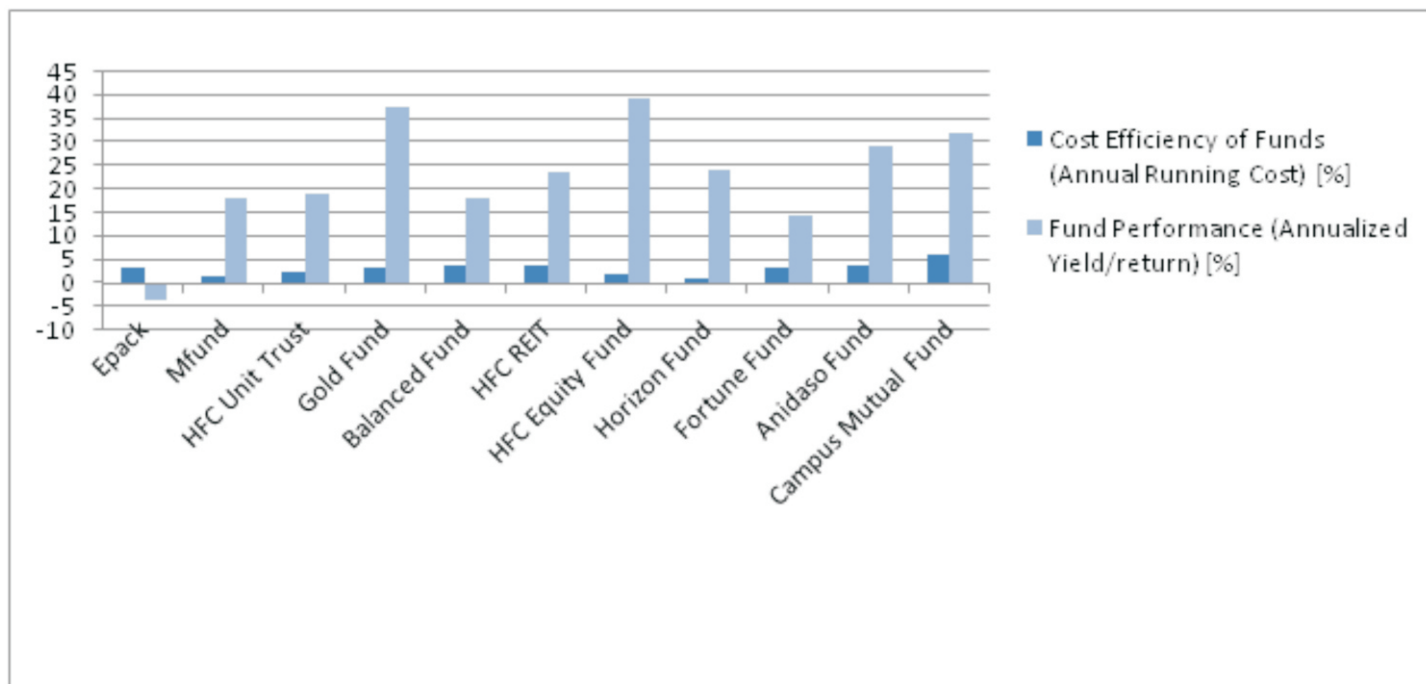
Campus Mutual Fund recorded the highest running cost of 5.84% of total net asset value, but with an impressive return of 31.70%. With the exception of Epack Mutual Fund which made a negative return (- 3.68%), all the collective investment schemes in the country posted impressive annualized yield/ return for their unit holders and shareholders in 2008. The table and graph below provides details of cost- efficiency and performance of all the licensed mutual funds and unit trusts in the country in 2008.

**Table 19: Cost – Efficiency and Performance of Collective Investment Schemes In Ghana (2008)**

	Name of Scheme	Type of Scheme	Net Asset Value	Annual Running Cost (GH¢)	Cost Efficiency Ratio	Unit Price - Dec. 2008 (GH¢)
	MUTUAL FUNDS					
1.	Anidaso Mutual Fund Ltd	Equity Fund	631,666.65	23,260.71	3.68	0.1954
2.	Campus Mutual Fund Ltd	Equity Fund	279,274.70	16,304.83	5.84	0.1629
3.	Databank Balanced Fund Ltd	Balanced Fund	3,465,336.41	122,872.47	3.55	0.1183
4.	EPACK Investment Fund Ltd	Equity Fund	86,541,947.90	2,660,343.91	3.07	0.8326
5.	Fortune Fund Ltd	Equity Fund	1,749,744.75	58,828.40	3.36	0.1800
6.	Horizon Fund Ltd	Equity Fund	8,865,243.39	6,888.92	0.07	0.1270
7.	Money Market Fund Ltd	Money Market Fund	17,692,384.26	278,494.49	1.57	0.1934
	UNIT TRUSTS					
1.	Gold Fund	Equity Fund	3,632,182.66	122,169.00	3.36	0.1023
2.	HFC Equity Trust	Equity Fund	4,031,030.02	69,669.00	1.73	0.1750
3.	HFC REIT	Real Estate Fund	2,068,051.00	77,427	3.74	0.5733
4.	HFC Unit Trust	Balanced Fund	20,625,129.00	457,882.00	2.22	0.1526

**Source:** Research & Market Development Department

**Chart 9**



## THE INVESTMENT ADVISORY INDUSTRY

In 2008, funds under management in the Investment Advisory industry increased from GH¢390,982,911.10 in 2007 to GH¢ 540,481,970,702.40. This represents an industry growth of 38.2% compared to 27.5% recorded for 2007 over 2006. Five of the leading investment advisory firms controlled 70.88% of funds in the industry. The biggest investment advisory firm in Ghana, Merban Investment Holdings Ltd., a subsidiary of Merchant Bank Ghana Ltd, had 17.19% of the market, followed by Databank Asset Management Services Ltd. with 15.57%. EDC Investment Ltd., SIC Financial Services Ltd., and Ecobank Investment Managers Ltd. respectively had

15.44%, 15.06% and 7.62% of the industry's market share. Twelve (12) out of thirty- seven (37) licensed investment advisers are subsidiaries of financial institutions in the banking and insurance industries in Ghana.

Total amount of redemptions was 17.9% of total assets under management, compared to 38.4% recorded in the collective investment industry. The main investors in the industry were provident funds, corporate bodies and high net-worth individuals. The total number of institutional and retail or individual investors were seven hundred and fifty- two (752) and ten thousand, six hundred and ninety- four (10,654) respectively.



**Table 20: Funds Under Management & Portfolio Allocation As At December 31, 2008 – Investment Advisors**

	Investment Advisor	Total Funds Under Management (GH¢)	Portfolio Allocation			Others	Clients		Market Share %
			Capital Market (%)	Bond	Money Market (%)		Institutions	Retail	
			Equity						
1.	Merban Invest. Holdings Ltd	92,993,957.6	11.7	1.5	86.8		112	2,517	17.19
2.	Databank Asset Mgt Ser. Ltd	84,236,282.2	41.7		58.3		60	41	15.57
3.	EDC Investments Ltd	83,528,965.1	32.0	1.1	66.7	0.24	73	56	15.44
4.	SIC Financial Services Ltd	81,492,496.5	48.3	1.7	50		18	12	15.06
5.	Ecobank Invest. Mgrs. Ltd	41,198,704.1			100.0		1	25	7.62
6.	Fidelity Capital Partners Ltd	\$31,823,232.2	97.8			2.2	12		5.88
7.	CAL Asset Mngt. Ltd.	30,337,992.4	4.5		95.5		3	52	5.60
8.	New World Renaissance Ltd	18,856,934.1	63.5	3.2	33.3		30	152	3.49
9.	First Atlantic Asset Mgt. Ltd	18,638,243.8	1.2	2.2	96.6		6	29	3.45
10.	Stanbic Invest. Mgt Serv. Ltd	10,979,230.9	7.3		92.7		6	7	2.03
11.	NTHC Ltd	8,865,243.4		0.9	99.1		169	6,195	1.64
12.	HFC Investment Services Ltd	6,282,642.2	6.4		93.6		18	119	1.16
13.	Gold Coast Securities Ltd	6,088,721.2	74.6		25.4		44	16	1.13
14.	SAS Investment Mgt Ltd	5,669,387.6	64.5		35.5		12	557	1.05
15.	Fidelity Asset Mgt Ltd	5,201,535.5	4.9		95.1		33	5	0.96
16.	CDH Securities Ltd	5,020,252.5	12		88		61	447	0.93
17.	SEM Capital Mgt Ltd	2,772,604.9	40	3.9	56.1		14	130	0.51
18.	Prudential Securities Ltd	1,831,621.9			100.0		2		0.34
19.	Liberty Investments Ltd	1,279,353.9	2.6	4.9	92.5		4	18	0.25
20.	Cidan Invest. & Adv. Serv. Ltd	1,202,086	92.6		7.4		1	10	0.22
21.	New Gen. Invest. Serv. Ltd	1,208,499.6	5.0		95.0		6	14	0.22
22.	IC Securities (Gh) Ltd	1,156,666.5	25.5		74.5		12	226	0.21
23.	SDC Brokerage Services Ltd	174,366.3	42.6	1.1	56.3		6		0.03
24.	Oriales Capital Ltd	122,682			100.0		1	6	0.02
25.	IFS Capital Ltd	9,000			100.0			2	0.01
26.	JCS Investments Ltd	-	-		-		-		-
27.	PD Associates Ltd	-	-		-		-		-
28.	Liberty Capital Ghana Ltd	-	-		-		-		-
29.	Black Star Advisors Ltd	-	-		-		-		-
30.	Aureos Ghana Advisors Ltd	-	-		-		-		-
31.	WorldWide Securities Ltd	-	-		-		-		-
32.	African Alliance Securities Ltd								
	<b>TOTAL</b>	<b>540,970,702.4</b>					<b>704</b>	<b>10,636</b>	<b>100.00</b>

The Dollar amount has been converted into Ghana Cedis as at December 31, 2008 exchange rate.

## Portfolio Allocation

In 2008, all the total assets under management of investment advisers were invested in the local economy. The main financial instruments into which these funds were invested were equities (both listed and unlisted), government and corporate bonds and money market instruments, particularly in 91-Day and 182- Day Treasury bills. The capital market attracted 98.70% of total assets under management in the investment advisory industry. 31.15% of the assets went into the equities market and 67.55% into bond market investments, principally, government bonds floated on the Ghana Stock Exchange. The Money market attracted only 0.67% of portfolio allocation. The remaining assets (0.17%) were held in cash as at the end of 2008. Funds from licensed venture capital companies went into direct investments in targeted companies and projects in the country. The table below provides details of asset allocation in the Investment Advisory industry in 2008.

**Table 21: Funds Under Management & Portfolio Allocation As At December 31, 2008 – Investment Advisors**

	INVESTMENT ADVISER	TOTAL FUNDS UNDER MANAGEMENT (GH¢)	EQUITY (GH¢)	BONDS (GH¢)	MONEY MARKET (GH¢)	OTHERS (GH¢)
1.	Merban Invest. Holdings Ltd	92,993,957.6	10,880,293.04	1,394,909.36	80,718,755.20	-
2.	Databank Asset Mgt Ser. Ltd	84,236,282.2	35,126,529.68	-	49,109,752.52	-
3.	EDC Investments Ltd	83,528,965.1	26,729,268.83	-	55,713,819.72	200,469.52
4.	SIC Financial Services Ltd	81,492,496.5	39,360,875.81	1,385,372.44	40,746,248.25	-
5.	Ecobank Invest. Mgrs. Ltd	41,198,704.1	-	-	41,198,704.10	-
6.	Fidelity Capital Partners Ltd	\$31,823,232.2	\$31,123,121.09	-	-	700,111.11
7.	CAL Asset Mngt. Ltd.	30,337,992.4	1,365,209.66	-	28,972,782.74	-
8.	New World Renaissance Ltd	18,856,934.1	11,974,153.15	603,421.89	6,279,359.06	-
9.	First Atlantic Asset Mgt. Ltd	18,638,243.8	223,658.93	-	18,004,543.57	-
10.	Stanbic Invest. Mgt Serv. Ltd	10,979,230.9	801,483.86	-	10,177,747.04	-
11.	NTHC Ltd	8,865,243.4	-	79,787.19	8,785,456.21	-
12.	HFC Investment Services Ltd	6,282,642.2	402,089.10	-	5,880,553.10	-
13.	Gold Coast Securities Ltd	6,088,721.2	4,542,186.02	-	1,546,535.18	-
14.	SAS Investment Mgt Ltd	5,669,387.6	3,656,755.00	-	2,012,632.60	-
15.	Fidelity Asset Mgt Ltd	5,201,535.5	254,875.24	-	4,946,660.26	-
16.	CDH Securities Ltd	5,020,252.5	602,430.30	-	4,417,822.20	-
17.	SEM Capital Mgt Ltd	2,772,604.9	1,109,041.96	108,131.59	1,555,431.31	-
18.	Prudential Securities Ltd	1,831,621.9	-	-	1,831,621.9	-
19.	Liberty Investments Ltd	1,279,353.9	33,263.20	62,688.34	1,183,402.36	-
20.	Cidan Invest. & Adv. Serv. Ltd	1,202,086	1,117,939.98	-	84,146.02	-
21.	New Gen. Invest. Serv. Ltd	1,208,499.6	60,424.98	-	1,148,074.62	-
22.	IC Securities (Gh) Ltd	1,156,666.5	294,949.96	-	861,716.54	-
23.	SDC Brokerage Services Ltd	174,366.3	74,280.04	1,918.03	98,168.23	-
24.	Oriales Capital Ltd	122,682.00	-	-	122,682.00	-
25.	IFS Capital Ltd	9,000	-	-	9,000	-
26.	JCS Investments Ltd	-	-	-	-	-
27.	PD Associates Ltd	-	-	-	-	-
28.	Liberty Capital Ghana Ltd	-	-	-	-	-
29.	Black Star Advisors Ltd	-	-	-	-	-
30.	Aureos Ghana Advisors Ltd	-	-	-	-	-
31.	WorldWide Securities Ltd	-	-	-	-	-
32.	African Alliance Securities Ltd	-	-	-	-	-
	TOTAL	540,970,702.4	168,503,829.80	3,636,288.84	365,405,614.70	900,580.63
	ASSET ALLOCATION (%)	100.0	31.15	67.55	0.67	0.17

The Dollar amount has been converted into Ghana Cedis as at December 31, 2008 exchange rate.

## THE STOCK BROKERAGE INDUSTRY

The Stock Brokerage Industry recorded substantial growth in response to increase in the levels of economic activity experienced in the Ghanaian economy in 2008. In value terms, total transactions in the industry amounted to GH¢ 737,462,608.30, whilst total volume

of securities transactions was 1,081,679,862. The total number of institutional and retail clients were 615 and 26,382 respectively, indicating the need for more market education and financial literacy to ensure effective market penetration among the public.

**Table 22: Transactions in the Brokerage Industry in 2008**

	BROKER - DEALER	TOTAL TRANSACTIONS		CLIENTS		MARKET SHARE %
		Volume	Value (GH¢)	Institutions	Retail	Transacted
1.	New World Renaissance Ltd	698,705,889	349,745,217.00	25	3,201	47.42
2.	EDC Stockbrokers Ltd	142,973,316	238,520,042.00	200	7,000	32.44
3.	Databank Brokerage Ltd	73,444,690	66,707,924.39	75	1,242	9.05
4.	NTHC Securities Ltd	16,615,020	18,359,723.90	35	2,000	2.43
5.	SIC Financial Services Ltd	37,133,210	11,031,705.51	16	207	1.49
6.	First Atlantic Brokers Ltd	35,196,284	9,273,111.33	15	245	1.26
7.	IC Securities (Gh) Ltd	5,007,232	9,133,142.22	8	115	1.24
8.	CAL Brokers Ltd	8,625,449	4,969,164.51	18	605	0.67
9.	Merban Stockbrokers Ltd	10,285,049	4,882,622.33	80	275	0.66
10.	HFC Brokerage Services Ltd	11,729,239	4,549,522.77	24	541	0.60
11.	Gold Coast Securities Ltd	6,302,520	4,431,887.75	20	3,690	0.60
12.	Strategic African Securities Ltd	9,466,093	4,114,254.00	22	403	0.56
13.	Prudential Securities Ltd	5,474,769	3,658,921.00	31	560	0.50
14.	Liberty Capital Ghana Ltd	2,080,840	3,644,041.00	11	5,962	0.49
15.	CDH Securities Ltd	10,915,115	3,345,887.45	30	281	0.45
16.	WorldWide Securities Ltd	7,725,147	1,059,441.14	5	55	0.14
17.	African Alliance Securities Ltd*	-	-	-	-	-
18.	Black Star Advisors Ltd*	-	-	-	-	-
19.	Liberty Capital Ghana Ltd*	-	-	-	-	-
20.	Liberty Investments Ltd*	-	-	-	-	-
	<b>TOTAL</b>	<b>1,081,679,862</b>	<b>737,426,608.3</b>	<b>615</b>	<b>26,382</b>	<b>100.00</b>

### Operation yet to commerce

In value terms, the top three leading brokerage firms transacted 79.86% of total transactions recorded in the industry. New World Renaissance Ltd. became the leading brokerage firm with 47.42% or GH¢ 698,705,889.00 of total industry transactions in 2008. It was followed by EDC Stockbrokers Ltd. with 32.44% and Databank Brokerage Ltd. with 9.05% of total value of transactions recorded for the industry.

Competition among the brokerage firms in the industry is becoming quite keen. It is interesting to note that the

activities of most of the brokerage firms were generally confined to Accra, the capital city, leaving the rest of the country largely uncovered by their operations. However, indications are that, the firms are likely to extend their operations to other parts of the country with the automation of trading by the Ghana Stock Exchange. This will require adoption and upgrading of new information technology, modern management, marketing systems and strategies.



# **Operational Review**

# Operational Review

## LEGAL DEPARTMENT

### 1. INTRODUCTION

The Legal and Enforcement department collaborates with other departments and units to ensure effective regulation, development, review and enforcement of the Law, Rules and Regulations governing the securities market in Ghana. In addition to his strategic role, the department is under the supervision of the Deputy Director General (1) who not only assigns, and supervises but is currently, directly involved in the operational work of the department due to shortage of staff. The basic functions of the department include;

- Handling the primary formulation and drafting of all legislation and amendments to any legislation mooted by the Commission
- The formulation and drafting of all regulations issued in terms of the Securities Industry Law
- Liaising with the line ministry, the Department of the Attorney General and Legal Draftsman and the offices of Parliament in getting such legislation enacted
- handling all litigation for and on behalf of the Commission and representing the Commission in any litigation filed against it
- representing the Commission in Court or at any tribunal as and when required
- liaising with the Attorney General's Department with regard to the prosecution of breaches of the securities laws
- vetting all standard form documentation issued by the Commission
- Handling all legal issues connected with the administration of the Secretariat of the Commission
- Assisting the Commission in the discharge of the

- quasi-judicial functions vested in it, which will include the preparation and presentation of administrative cases
- Advising and guiding investigations carried out by the Commission into breaches of the securities laws

In the reporting year, the Legal Department undertook the following activities in line with its defined operational mandate as follows:

### LITIGATION

The Department continues to defend the SEC in Yeboah Amoa v. SEC Suit No. AC117/04 which is currently the only matter pending before the Courts.

Mr. Yeboa Amoa the plaintiff, sued the SEC as the first defendant and Mr. Joseph Aboagye Debra as the second defendant, seeking a declaration that the decisions by the first defendant's Administrative Hearings Committee was unlawful, ultra vires and otherwise null and void. He therefore sought an order of certiorari to quash the decision of the Administrative Hearings Committee.

The certiorari was opposed by the SEC and dismissed by the honourable judge on grounds that the application brought was out of time.

The plaintiff further filed a motion on notice for judgment in default of defence on the 12<sup>th</sup> of February 2008. The motion was later struck out as withdrawn on the directions of the court.

We are yet to be served with any further documentation indicating the plaintiff's intention to proceed with the matter.

## LEGISLATION

### Review of the Securities Industry Law

The department together with other departments and experts in the industry are working on the review of the Securities industry Law. Areas of the Law that need to be amended were identified and highlighted for the consideration of Commissioners or Board.

### Anti-Money Laundering Act, 2008 Act 749

As part of the Government of Ghana's efforts to fight against Money Laundering and Economic Crimes in general, the Anti-Money Laundering Act was passed in 2008. The Act among other things seeks to establish a Financial Intelligence Centre.

Further to the passage of the law, the department represented the SEC at several meetings of the National Anti- Money Laundering/CFT Co-ordinating Committee which was chaired by a high ranking personnel of the Bank of Ghana.

In addition, the Inter-Governmental Action Task Force Against Money Laundering in West Africa, GIABA, is conducting a money laundering risk and threat assessment in seven countries in West Africa, including Ghana. The ultimate aim of the project which is being conducted by experts from AEGIS Research and Intelligence Advisory, U.K., is to provide guidance for ECOWAS Member States to enable them make their anti money laundering systems robust and less vulnerable to criminals and to prevent the country from becoming a haven for money launderers and organized criminals.

In this regard a team of two analysts from AEGIS were in Ghana recently to meet relevant institutions including the SEC. The department met with the analysts to discuss SEC operations and the Anti Money Laundering Law. The project is ongoing.

### The Review of the Companies Code

The Legal department in conjunction with the Research and Market Development Department wrote and presented a report to the Committee of Experts chaired by Justice Date Bah on the review of the Companies Code. Suggested areas for review in the Code included a clear definition of a 'public company', time period for the payment of dividends, the issue of unclaimed dividends, inadequate bankruptcy provisions, review of the Private Partnership Act among others. The Department also submitted the SEC write up on unpaid /unclaimed dividends developed after extensive research by the Research and Market Development Department, and the Code on Takeovers and Mergers to the Committee for their information and as further guidance for the Committee.

### Development of Regulatory and Legal Framework for REITs

During the reporting year, it was discovered that there are no specific legislation, rules nor regulations for the regulation of Real Estate Investment Trusts (REITs) in the country. For this reason the Commission as a policy for precaution, placed on hold approvals for licensing applications for REITs during the latter part of the year until a comprehensive set of regulations have been put in place. The Legal Department together with the Director- General compared notes with other jurisdictions to



inform the development of an appropriate legal and regulatory framework for REITs in Ghana. Work is yet to begin in this area.

#### 4. RULES AND REGULATIONS

Code on Mergers and Takeovers and Compliance Manual for Market Operators

The department successfully reviewed with the assistance of other departments, and supervised the publication of the Code on Mergers and Takeovers and Compliance Manual for Market Operators, which are currently on sale at the Commission. These important legal documents were issued to the Market in November, 2008.

Registration of Capital Market Consultants

In line with the Commission's mandate contained in the Securities Industry Law PNDCL333 S.9(c) to register, license, authorize and regulate market operators in accordance with the Law, the Commission proposes to license capital market consultants as a category of market operators to ensure that fit and proper persons operate in the industry. These may include accountants, auditors and audit firms, lawyers and legal firms, valuers and surveyors and all other professionals to be determined by the Commission, rendering or with the intention of rendering services in the securities industry.

In line with this mandate the department researched into the best practices of other jurisdictions and begun drafting a report on the above. Further research conducted into the practices of other jurisdictions is on-going. The report when completed will form the basis for future directives and rules to be issued by the

Commission through the Commissioners or the Board.

Development of Insider Trading Rules and Rules on the Purchase and Sale of Own Securities.

A draft report was prepared by the department on the above. It is work-in-progress and further work needs to be done.

#### CIRCULARS AND NOTICES

No new circulars were issued to guide/regulate the market in 2008. Notices on appointment of the Director- General, Dr. Nii Kwaku Sowa, and the signing of three (3) Memorandum of Understanding (MOUs) with sister regulators were however released.

#### WORK REFERRED FROM OTHER DEPARTMENTS

Corporate Finance & Investment Management (CFIM) Department - Review of Prospectuses and Licensing of Market Operators

The department assisted the CFIM department by reviewing and giving legal opinions on relevant portions of prospectuses submitted in connection with public offerings for approval by the Approvals and Licensing Committee. The department also assisted CFIM Dept. in the preparation, signing and sealing of licenses of Dealers, Investment Advisers and their representatives, Mutual Funds, Custodians, and other market operators.

Market Surveillance (MS) Department - Inspection of Market Operators

Inspection reports were referred from MS Dept. and enforcement actions against defaulting



licensees were initiated by the Legal Department through the Deputy Director-General (1).

## 7. **MDA COLLABORATION**

Violations of the Securities Industry Act 1993 PNDCL 333

Under section 139(1) of PNDCL 333, prosecutions for an offence against any provision of the law may be taken by the Attorney-General (AG) or the Securities and Exchange Commission. This provision however was subsequently amended by section 13(a) of Act 590 and currently, prosecutions for offences are to be made by the AG. During the period under review SEC tried to forge some collaboration with the AG's Dept. in the prosecution of such offences. Discussions for the settling out of these modalities between the Department of Public Prosecutions (DPP) at the AG's Office and Legal Department through the Deputy Director General (1) are still ongoing.

## 8. **INTERNATIONAL /REGIONAL CO-OPERATION/COLLABORATION**

Memoranda of Understanding

The department coordinated the signing of three Memoranda of Understanding between the SEC of Ghana, and the FSB, South Africa, the SEC and the Capital Markets Authority CMA, Tanzania and the SEC and CMA, of Uganda in June, July and October 2008 respectively, on co-operation, consultation and exchange of information between these bodies. The MOU's essentially are statements on intent of the respective regulators to establish a framework for mutual assistance and to facilitate the exchange of information between

each other to enforce or secure compliance with the governing laws, regulation and rules.

The MOU's also seek to establish a framework for co-operation, promote mutual assistance and facilitate the exchange of information so that the authorities may effectively perform these duties according to the laws of their respective jurisdictions.

Meeting of Stakeholders on Capital Markets Integration of Nigeria and Ghana Stock Exchanges

The Legal Department actively participated attended stakeholders' meetings and deliberations on the integration of the capital markets in West Africa. The Department contributed extensively on the road map towards the integration held in Lagos, Nigeria, between 13<sup>th</sup> to 14<sup>th</sup> March, 2008.

## 9. **INVESTIGATIONS AND COMPLAINTS**

Databank

Upon the request of the SEC that two subsidiaries of Databank i.e. Databank Financial Services (DFS) and Databank Client Services Limited (DRIL) operating without SEC license, either apply to be properly licensed or initiate winding up proceedings, Databank wound up the companies and absorbed them as departments of other companies within the Databank Group of Companies. The Commission was furnished with Gazette notification of the dissolution of the companies dated 7<sup>th</sup> March 2008 and under the hand of the Registrar of Companies.

Irene Amoah Awuah v Databank

The complainant alleged that Databank had

refused to hand over share certificates for three securities i.e. CAL Bank, Guinness Ghana Breweries Limited and Unilever Ltd.

The SEC invited the parties to discuss the matter on the 17<sup>th</sup> of April 2008. The matter has currently been resolved amicably.

### **Aviance Ghana Ltd. in respect of IPO.**

In March 2008, EDC Stockbrokers Ltd. acting on behalf of their client, Aviance Ghana Ltd., submitted an IPO to SEC for approval. After examination their application was declined. The reasons for this were based inter alia on their pricing of the stock which was unrealistic and the fact that there was no guarantee of renewal of contract of the services they provide and therefore continuity of the company.

Aviance lodged an appeal regarding the decision of the SEC and after due consideration by the Director-General as per his mandate in Act 590, the complaint was dismissed.

### **Ms. Akosua Adjepong and Mrs. Ann-Shirley Buggs against Worldwide Securities Ltd. (WSL).**

A complaint was lodged against WSL by two persons who alleged that although their Ayrton Drug shares had been sold for ₵0.976 a share, instead they were paid only ₵0.900 a share. One complainant sold 8.5 million shares and the other sold 6 million shares.

WSL collected various sums of money as consultancy fees for investor search services in addition to the commission sanctioned by the GSE Rules.

SEC ordered WSL to refund the sum of GH₵45,615 to the first complainant and

GH₵64,600 to the second complainant. WSL began to refund the amounts in question and the complainants reported to the SEC that the parties had entered into an agreement to settle the matter amicably.

### **Complaint Levied by Mr. George Duodo against NTHC Registrars**

The complainant accused NTHC, licensee of the SEC, of the following:

- (1) Failure to forward share certificates
- (2) Non- payment and delayed payment of dividend warrants
- (3) Failure to submit statement of share account to clients
- (4) Failure to publish Annual Trade and Finance Reports in a timely manner
- (5) Failure to respond to queries and correspondence in a timely manner
- (6) Monitoring death of investors

After investigations the SEC found his claims to be without merit and dismissed the complaint.

### **Sale and Purchase of CAL Bank Ltd. Shares on the Ghana Stock Exchange.**

By a letter dated 1<sup>st</sup> August 2008 the GSE informed the SEC of the suspension of Databank Brokerage Limited (DBL) from the Exchange for non-payment of levies. Subsequently SEC received a complaint from Tetteh & Co. Solicitors for the buyer, Mr. Oppong Bio about harassment of their client by DBL. Soon thereafter, the SEC again received another complaint from Bentsi Enchil & Letsa which alleged that DBL was being unjustly treated.

The Secretariat wrote to all the parties on 13<sup>th</sup> August 2008 invoking the SEC's powers to investigate complaints before resort to the law

courts and drawing the parties' attention to the Director-General's mandate to investigate complaints within 30 days failing which same would be referred to the Administrative Hearings Committee of the SEC. The parties met with the SEC on several occasions and the Director-General issued directives to each party, successfully resolving the matter.

### **Wrongful Deprivation of Shares**

Mr. Michael Adjei alleged that he bought 10,000 CAL Bank shares during the IPO from Databank Brokerage Ltd. (DBL). Subsequently DBL wrongly transferred the shares into the name of another investor of the same name. Although this was reversed by DBL, apparently NTHC, the Registrars, did not correct their books.

The wrong Michael Adjei therefore managed to get an indemnity for loss of certificates from NTHC, the Registrar, and sold the shares through Gold Coast Securities. NTHC was found liable. NTHC has since bought new shares for the complainant.

Also attempts have been made for the said Michael Adjei to be apprehended and prosecuted.

### **Complaint of Non Payment of Dividend by Registrar**

The Secretariat handled a complaint from a retired serviceman who alleged that he informed the Registrar of a change of address but the Registrar continued to send correspondence to the old address. NTHC, the Registrar, claimed that the letter written by the complainant did not get to them. SEC has linked the complainant with NTHC to ensure

that he receives all dividends declared. The complaint was about BOPP shares.

### **Act Invest – Investment Education Organisation**

A person describing himself as a Senior Managing Partner of a firm in Kumasi wrote to the SEC informing the SEC of investment advisory services he was providing in Kumasi and asking for collaboration with the SEC to expand his business.

The person claimed that “the purpose is to provide the investor a full range of information they need to make wise/informed investment decisions. The product line is unique combination of investment, counselling, investment education and investment essay writing competitions (Invest Write) financial planning and community/college investment”.

The SEC wrote back advising that from the nature of business he had to obtain a license from the SEC to operate and until he obtained one, he must cease operations. This is to ensure that innocent persons do not fall prey to unlicensed persons who have no authority to deal in securities.

### **EDC Stockbrokers**

EDC Stockbrokers paid an amount of GH¢5,000 as penalty for not notifying SEC of changes of directorships and not filing the requisite notices with the Registrar General's Department. This anomaly has been rectified.

### **GCB Registrar**

Ghana Commercial Bank Registrars paid an amount of GH¢6,000 as penalty for not performing its duties as Registrars for ETI and

Ecobank Ghana as required under the law. GCB has undertaken to ensure due compliance with SIL law. GCB Registrar have since informed the SEC of steps it has taken including ensuring that the dividend account is domiciled at GCB for effective reconciliation of dividends (paid and unpaid).

### **Gold Coast Securities (GCS)**

#### **Unlicensed Products**

GCS has two products, Savings and Investment Plan (SIP) and Platinum Equity Fund (PEF) which were run in the nature of Collective Investment Schemes. However both are not licensed. GCS claims it has made attempts to obtain licenses from the Bank of Ghana. SEC has determined that until licenses are obtained these funds should cease to operate. This scenario of regulatory overlap among the three financial regulators in Ghana has been of a major concern to the SEC. It has often become a grey area that are exploited by those who wanting to take advantage of existing regulatory arbitrage. The SEC is currently reviewing the Securities Industry Law to among other things close these gaps in the Law.

#### **Complaints Register**

The department maintained and entered the complaints for the year 2008 in the SEC Complaints Register. Records of these complaints are kept to form the basis of future regulatory directives and corrections to improve professional practice in the Securities Industry.

#### **Staff and Commissioners Interests in Securities**

As part of enforcing corporate governance

standards at the Commission, the department also maintained 'the register of staff interest in securities' and issued a memorandum to staff and Commissioners dated 18<sup>th</sup> December 2008, requesting them to furnish the Director-General with the details of their interest in securities as at the 30<sup>th</sup> of December 2008. Staff members were further advised to inform the Director-General of any subsequent acquisitions of securities within 7 days of such acquisitions. It is interesting to note that the directives in the Memorandum have been fully complied with by members of staff and Board members as at the end of this reporting year.

## **10. COMMITTEES**

### **Approvals and Licensing Committee**

The department served as secretary for the Committee which was chaired by the Chairman of the Board. The Committee reviewed and approved all applications for licenses and public offerings made to the SEC in 2008. In all, seven meetings were held within the year.

### **SEC Property Committee**

The department served as secretary for this Committee. The department also liaised with officials from Price Waterhouse Coopers in the processing of lease documents of the Commission at the Lands Commission in respect of a plot of land allocated to the SEC.

The Committee organized for topological and geotechnical surveys to be conducted by the AESL in respect of the SEC property.

Further, meetings were held with the Technical Advisor appointed from the Ghana Institute of Architects, and a Request for Proposal (RFP)

document on the permanent SEC offices to be constructed was prepared for finalization and distribution to architectural firms chosen to participate in a Design Competition. The department reported to the Board throughout the year on progress made.

## **BOARD**

The Department worked with the Board Chairman and the Director-General on all activities of the Board within the reporting year. The department responded to all correspondence of the Board and liaised between Commissioners and the Secretariat. In all six (6) Board meetings were held as per the statutory requirements in the Securities Industry Act (SIA).

## **AGREEMENTS**

The department reviewed and executed all agreements received by the SEC including the following:

- Deeds of Assignment for vehicles and motorbikes

- Agreement in respect of events management for the organization of the 3<sup>rd</sup> Securities Industry Week

- Contract for consultancy services between SEC and Macscoopers Systems for feasibility study towards the adoption of electronic surveillance/alert system

- Contract for the installation of software for IT Dept. between SEC and IPMC.

- Contract for consultancy services between SEC and Natural Resources Institute for feasibility study towards the establishment of a Commodities Exchange for Ghana.

- Agreement between SEC and Diligent Visions printing of 500 copies each of the Compliance

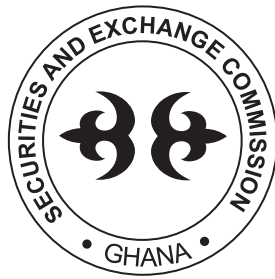
Manual and Code on Takeovers and Mergers.

Contract between SEC and Kensington Information Technology Ltd. on purchase of computers and office equipment for the SEC.

Contract with Computer share/Afridaq Consortium to draft rules and regulations to formalize the Over-the-Counter (OTC) Securities Market.

## **14. LEGAL SOFTWARE**

The department acquired a legal software from Datacenta consisting of consolidated statutes of Ghana, Ghana Law Report and Gower's Report to enhance legal research.



# **Corporate Finance & Investment Management Department**

# Corporate Finance & Investment Management Department

## A. Introduction

The corporate Finance and Investment Management Department performs under the following operational mandate:

Ensuring that corporate bodies comply with laws and regulations pertaining to disclosure both at the stage of initial listing / sale of securities and thereafter on a continuing and periodic basis.

Examining of invitations to the public and other announcements and disclosure documents issued by these corporate bodies

Monitoring private placements of securities by listed corporate bodies

Supervising mergers and acquisitions where the target company has its equity securities publicly traded.

Reviewing proxy materials sent to shareholders before an annual general meeting

Working closely with domestic private- sector accounting and auditing standards- setting bodies regarding the formulation and application of accounting standards and financial disclosure requirements

Examining financial reports of companies, both annual and interim, to ensure adherence with accounting standards and disclosure provisions of the companies and securities laws and listing rules.

Performing post- prospectus/listing checks on the utilization of funds collected through public subscription.

Recommending to the Commission new policies, rules, procedures and formats for adoption in the areas of corporate disclosure and the listing of securities.

In 2008, the department's activities comprised mainly, reviewing of offer documents, responding timeously to licensing, renewal of licenses requests and attended as observers various Annual and Emergency General Meetings (AGM/EGM) of shareholders of listed companies. During the reporting year the department oversaw the conclusion of the following public issue of securities;



**Table 23: Undersubscribed and Oversubscribed Offers**

<b>Name of Issuer</b>	<b>Refund Amount (GH¢)</b>	<b>Refund Made (GH¢)</b>	<b>Bal. Outstanding (GH¢)</b>
Vikings Mutual Fund Ltd	761,146.70	392,526.50	368,620.00
Women's Mutual Fund Ltd	200,534.00	149,395.00	51,139.00
SIC Insurance Company Ltd	20,098,414.00	20,098,414.00	0.00

Vikings Mutual Fund Ltd and Women's Mutual Fund Ltd, two collective investment schemes, which were approved during the last quarter of 2007, were launched during the first quarter of 2008. The offer was not however successful. Returns received from the agents in respect of Vikings' failed offer indicate that GH¢318,320 of the amount outstanding has been re-invested on behalf of clients. Of this amount GH¢306,120 is held by Cidan Investments Ltd whilst GH¢7,250 and GH¢4,950 are held by NewWorld Renaissance and Databank Brokerage Ltd respectively.

On the other hand, the Initial Public Offer of SIC Insurance Company Ltd's was over-subscribed. In these three cases refunds were made to applicants.

### **Review of Documents and Licensing**

The Department witnessed an increase in the number of applications received by 100%, from 16 in 2007 to 32 in 2008 and made up of

- 1 Initial Public Offers for listing
- 2 Rights Issues
- 3 Collective Investment Schemes (CIS)
- 4 Investment advisors' licenses and
- 5 Dealers' licenses (3 brokerage and 1 securities depository, 2 trustees)

Twenty-eight of the requests were processed by the Department and referred to the Approvals and Licensing Committee of the Board for consideration and approval. One request was declined, namely, Aviance Ghana Ltd's IPO, whilst application from

Soroma Real Estate Investment Trust and Ghana Real Estate Asset Trust were put on hold by the Board Committee, pending the development of an appropriate regulatory regime for Real Estate and Investment Trust (REIT).

The following underlisted applications were also considered and processed by the CFIM Department during the course of the year. However, subject to clarification of a few outstanding disclosure issues, these applications could not be sent to the Approvals and Licensing Committee of the Board for consideration and approval

Vanguard Life Assurance Ltd -applied for a Trustee license  
Vanguard Assurance Co. Ltd. - Trustee License  
Merban Fund Ltd – Applied for a Mutual Fund license  
Wealth Management Ltd – Applied for investment Advisers license

### **Public Offers**

Sixteen public offer requests were received made up of 4 rights issues, 11 Initial Public Offers (IPOs) and one hybrid - partly rights issue and partly public offer.

The table below shows a summary of the applications reviewed for public offers and their status as at the close of the year.



**Table 24: Applications for Public Offers Received**

Issuer	Type of Issue	Number of shares Taken/On offer	Amt to be raised/Status
HFC Bank Ltd	Rights Issue	25,432,359	Completed, GH¢9,918,620 raised over-subscribed by GH¢1,580.
Super Paper Products Company Ltd	Rights Issues	13,000,000	GH¢409,500 raised, over-subscribed by GH¢182,631.5
Ashanti Goldfields Ltd	Rights Issue	64,470.442	USD1.77bn raised
Ecobank Transnational Incorporated	Rights Issue and Public Offer	496,614,998	USD565,880,665 raised out of USD2.5bn
UT Financial Services Ltd	Initial Public Offer	90,293,000	GH¢27,087,900; over-subscribed by 1.71%. Refund of GH¢462,780 made.
CAL Bank Ltd	Rights Issue	Unknown	GH¢55m. Request on hold.
Aviance Ghana Ltd	Initial Public Offer	31,480,000	Declined.
TV3 Ltd	Initial Public Offer	70,088,274	GH¢7,008,827. Approved, yet to be launched
Databank Jubilee Fund Ltd	CIS– Mutual Fund	500,000	GH¢50,000.00 Approved, yet to be launched
Capital Growth Fund	CIS– Unit Trust	1,000,000	GH¢100,000.00. Approved, yet to be launched
Ghana Real Estate Trust	CIS– Unit Trust	1,000,000	Gh¢100,000.00. On hold pending development of REIT regime.
iFund Ltd	CIS– Mutual Fund	2,000,000	GH¢200,000.00. Approved, yet to be launched
Soroma Real Estate Investment Trust	CIS– Unit Trust	2,500,000	On hold pending development of REIT regime.
Merban Fund Ltd	CIS– Mutual Fund	2,000,000	GH¢200,000.00. Outstanding issues to be address ed
HFC Future Plan Investment	CIS– Unit Trust	1,000,000	GH¢500,000.00. Approved, Jan 2009

Rights issues for Super Paper Products Company Ltd and HFC Bank were over-subscribed by GH¢182,631.59 and GH¢1,580,171.22 respectively. Refunds of over-subscribed amounts have been fully effected. Also refunded is an amount of GH¢462,780 over-subscribed under the UT offer.

### Investment Advisors and Dealers Licenses

Under the above licensing group, a total of 16 applications were received for processing. These were made up of nine (9) investment advisor's and six (6) dealers' licenses. The Table below shows the position of applications received as close of year.

**Table 25: 2008 Investment Advisors and Dealers' License Applications Received**

<b>Applicant</b>	<b>Type of Licence</b>	<b>Status</b>
Vanguard Assurance Ltd	Dealer – Trustee	Approved
Vanguard Life Assurance Ltd	Dealer – Trustee	Pending–incomplete documentation
IFS Capital Ltd	Investment Advisor	Approved
PD Associates Ltd	Investment Advisor	Approved
GSE Central Securities Depository Ltd	Dealer – CSD	Approved
Soroma Capital Ltd	Investment Advisor	Approved
Black Star Brokerage Ltd	Dealer – Broker	Approved
African Legacy Finance Ltd	Investment Advisor Dealer - Broker	Approved
African Alliance Securities Gh Ltd	Investment Advisor Dealer – Broker	Approved
Al-Time Capital Ltd	Investment Advisor	Approved
QFS Securities Ltd	Investment Advisor	Approved
Ecobank Venture Capital Co. Ltd	Investment Advisor	Approved
First BanC Ltd	Investment Advisor	Approved
Wealth Management Ltd	Investment Advisor	Received 12:12:2008, being processed.

### **Renewal of Licenses**

Licenses for all Collective Investment Schemes ( CIS ) were renewed upon expiration. Investment advisors and dealers licenses that expired on 30 June 2008, were also renewed with the exception of Quad Investments Ltd.

### **General Meetings**

As at the end of 2008, there were 36 listed companies. SIC and UT Financial Services were new additions for the year. Annual and Extra-ordinary General Meetings for the companies were attended by the Department and reports based on observation of proceedings and corporate governance compliance check-list were submitted to Management and Board of SEC for their

decision and policy direction. In view of limited available resources and staff numbers , the AGMs of Anglogold Ashanti Ltd and that of Trust Bank – Gambia, could not be attended by the Department. These two AGMs were held outside the country.

### **Post-Offer Inspection**

Post offer inspections which were to be carried out in earnest to cover outstanding offers was rather slow due to the difficulty experienced in getting information from lead managers and issuers. The department however managed to undertake post-offer inspection with respect to Ayrton Drugs, Ecobank and Transol. Findings from the inspections have been addressed to both the lead managers and the issuers for their attention and necessary action.



## **Market Surveillance Department**

# Market Surveillance Department

## Introduction

The key functions of the department are:

Formulating and implementing programmes which facilitates the supervision and monitoring of the financial, systemic stability and integrity of stock exchanges, dealers and other market intermediaries the Commission may be called upon to regulate. This involves on-site and off-site monitoring and inspection of activities of market operators.

Formulating and designing routine reports and returns requiring to be filed by market operators. Submitted reports are subjected to review.

Implementing a programme for the routine and non-routine inspections of market operators with the aim of fostering compliance with and detecting violations of the securities laws and gathering information of developments in the market

Preparation of periodic reports on the financial and systemic stability of licensed operators and the market

Undertaking expeditious and informal correction of less serious compliance anomalies through the mechanism of identifying the problem and bringing it to the notice of the Commission and the regulated market operator and monitoring rectification until compliance is achieved.

Referring serious and persistent violations to the Investigations Department of the Legal and

enforcement Directorate for remedy

Overseeing the operations of the stock exchange and the Central Securities Depository (CSD)

## Receipt and review of Returns

The department received and reviewed returns from market participants during the period under review. The returns received and reviewed included:

- a. **Monthly returns:** This is provided by broker-dealers and investment advisers. They consist of a cash flow statement and a statement of liquid funds. Broker-dealers also provide a statement of proprietary share holding by dealers, their management and key staff as well as directors.
- b. **Quarterly returns:** This consists of financial statements that incorporate; profit and loss accounts, balance sheet, cash flow statement and statement of liquid funds. Broker-dealers and investment advisers also provide quarterly compliance reports. Investment advisers are also required to submit a return on funds under their management to the Commission. All other dealers like custodians, trustees and registrars produce operational returns to the Commission.
- c. **Annual returns:** This consists of a set of audited financial statements.
- d. **The Ghana Stock Exchange tallocs of trading and official lists:** These are provided on every trading day in addition to quarterly and annual returns that the Ghana Stock

Exchange provides .

### On-Site Inspection Visits:

In the year under review, the department followed its plan of action to visit a number of market operators. The department was also guided by its risk assessment to visit those firms that were considered most risky. The department visited GCB Registrars, JCS Ltd., New World Renaissance Ltd, Merban Investment Holdings, Merban Securities Ltd, SIC Financial Services Ltd, Liberty Investments Ltd and CDH Securities Ltd.

The department has continued with its review of the operations of Gold Coast Securities Limited which was operating with a mismatch of its Treasury Bill holdings, marketing of an unlicensed product and the use of unlicensed representatives. The Commission agreed with the management of GCSL on the reduction and eventual elimination of the Treasury Bill gap. It also agreed with GCSL to cease the marketing of the unlicensed product. GCSL was also required to license all its broker-dealer and investment adviser's representatives. The GCSL has so far conformed to its implementation plan, as agreed with the Commission.

Some of the issues raised as a result of the on-site inspections visits were:

- a. Unlicensed personnel doing work that requires the Commission's licenses
- b. Maintenance of debit balances on client accounts
- c. Non-registering of clients' valued documents
- d. Inaccurate recording of clients' assets
- e. Poor banking practices including non-preparation or non-authorization of bank reconciliation statements.
- f. Non-availability of important documents like strategic plans
- g. Problems with software etc

### Follow up visits

The department made follow-up visits to Fidelity Asset Management Ltd, SIC Financial Services Ltd. and JCS Investments Limited. Reports on findings have been prepared and duly submitted.

### Observations during the visits included

Some unlicensed organizations were performing activities for which licenses were required.  
 Officers without licenses were undertaking duties reserved for licensed officers.  
 Perpetual debit balances kept on clients accounts.  
 Some market operators did not establish and / did not utilize their clients' trust accounts  
 Bank reconciliation statements were not prepared  
 Inaccurate recording of clients assets  
 Some organizations did not have important documents like operations manual, strategic plans and auditors management reports  
 Improper management of account opening documentation  
 Some companies had problems with their brokerage software  
 Some companies were not strictly adhering to the staff trades authorization procedures

### Visits to the Ghana Stock Exchange

A designated officer of the department made daily visits to the Ghana Stock Exchange. The objective of the visits included:

reviewing trades for market manipulations,  
 evaluating the conduct of dealer's representatives on the floor of the exchange to ensure best practices are followed and the handling of disputes by the management of the exchange.

Findings in the quarterly reports, and from our visits, have been submitted to the Commission.

## Enforcement actions

The department undertook several enforcement actions. These included:

- a. Revocation of the licence of Capital Alliance Company Limited for non submission of returns as per regulation 35 of LI 1728.
- b. Withdrawal of the licence of Lindsay Capital Partners Limited for non renewal of license per regulation 19 of LI 1728.
- c. Monitoring of the implementation of the action plan by Gold Coast Securities Limited on gaps in:
  - T-bills management
  - Officers operating without licence
  - Operating unlicensed products
- d. Review of the financial position of SEM Capital Management Limited due to inadequate Shareholders Fund.

## Reports to BOD

The following reports have been submitted to the BOD

Compliance report of market operators detailing submissions, penalties, capitalization, liquidity position and their overall compliance with the regulations per regulations 25(5) & (6) of LI 1728 and section S(4) of the Compliance Manual.

Report on the operation of Ghana Stock Exchange including market review, performance of listed companies, market capitalization, market manipulations etc.

Inspection visits reports which cover front and back office operations, BoD minutes, financial reports, client account opening and documentation of transactions, disaster recovery planning systems etc.

Other reports as requested

## Other reports to the Director General

The department submitted the following reports to the Director General on request:

Foreign operations of Collective Investment Schemes covering the risks in CIS operations outside Ghana without approval.

Proposal on the regulation of Collective Investment Schemes as well as a need for a special unit / Department to handle issues on CIS due to special risks associated with them. Sale of CAL Bank shares which had some irregularities and had to be reversed.

Report on interdepartmental committee on guidelines for Registrars

Draft Operations manual for MSD covering the activities of the department which specifies the purview of MSD including specifying functions such as on-site and off-site supervision of Market operators, supervision of registrars and stock exchange, preparation and submissions of reports to the BoD etc.

Funds under management by Collective Investment Schemes covering funds held by CIS to determine the effect of the global crunch on them.

## Review of the SEC Laws

The department also took active part in the review of the SEC Laws. It made inputs into the Code on Mergers and Acquisitions and also assisted reviewing the Compliance Manual for Broker-Dealers and Investment Advisers.

## Staff strength and Staff Training

The staff strength of the Department as at November 2008 stands at 3 Professional Staff, 3 Officers, 1 Sub-



Officer and 2 National Service Personnel. The department needs more hands to enable it visit each operator at least once a year.

Ms Esther Larweh and Martin Aflo attended training programs in Money Market and Strategies in Securities Trading in Lagos, Nigeria and in Practical Corporate Finance and Advance Analysis of Financial Statements in Dubai respectively.

Mr. Mensah-Appiah and Mr. Martin Aflo participated in a two- day seminar organized by the Ghana Stock Exchange on the following;

- a. Draft GSE Securities Depository Rules
- b. GSE Clearing and Settlement House Rules
- c. GSE Automated Trading Systems Rules (GATS)

Mr. Mensah-Appiah travelled to Paris for an IOSCO Meeting.

Mr. Martin Aflo participated in a one week training programme on analysis of financial statements organized by ALICORN Capital at Dubai.

Ms. Evelyn Essien visited the United states for a training programme organized by the Securities and Exchange Commission-USA.

Attachment training to regulators and leading market operators of other markets will afford staff practical experience and skills in handling issues such as surveillance over mutual funds, registrars, issuing houses, insider trading and dealing with some of the common challenges like fraud in the capital markets. Nana Kwame Osei, an Assistant Manager in the department resigned from the Commission.

### **Challenges of a developing market**

The landscape of the securities market is changing very quickly and the MSD must take up the challenges introduced by those changes. The anticipated changes

are:

Automated trading, clearing and settlement  
Introduction of a central securities depository  
Development of the unlisted securities market  
Development of a bond market  
Electronic submission of returns  
Reforms in business combinations like mergers and acquisitions and their impact on market activities  
Reforms in corporate governance  
International reforms in the regulation of financial systems  
Development of a derivatives market  
Development of a commodities exchange  
Public education

### **RESEARCH AND MARKET DEVELOPMENT**

This department plays a central and strategic role in the development of the Commission and the Securities Industry in Ghana. Its research findings and recommendations facilitates policy formulation by the Board towards the overall development of the securities market as well as the Commission's regulatory oversight of the securities market. The department's main role is to advise the Commission and its staff on all policy issues associated with the Commission's regulatory and capital market development activities. It combines the functions of securities market research and strategic development with training and public education of market participants and the investor public.

The major functions of the department among others include the following:

Giving advice on economic and other environmental issues germane to the Commission's regulatory and market development programmes  
Analyzing the potential impacts and benefits of proposed regulations and rules on market operators and the capital market  
Engaging in long- term research and policy

planning in addition to providing research support in regulatory and enforcement policy areas.

Formulating and implementing comprehensive investor/public education and capital market development programmes.

Taking care of the Commission's media, public and international relations

Responsible for publications of the Commission – Development and publication of annual reports, brochures, manuals, handbooks, feature articles, etc.

## IMPLEMENTATION OF CAPITAL MARKET STRATEGIC PLAN

The Research and Market Development Department coordinated the implementation of the Ghanaian capital market strategic plan. The plan among other things is aimed at making the Ghanaian capital market more efficient and effective in meeting its three key strategic goals for the Ghanaian economy, namely, Meeting the capital raising needs of the economy

Meeting the diverse investment needs of investors in the economy, and  
Providing an efficient, effective and sound risk management platform and environment for the Ghanaian economy

In view of the above objectives, the capital market strategic plan is divided into seven sections as follows;

Legal and regulatory review - This involves review and amendments of the Securities Industry Law and other related legislations to make the Ghanaian securities market more modern and internationally competitive

Automation and adoption of up-to-date technology – To facilitate trading, settlement, securities depository, reporting and supervision of the market

Public/ Investor education – aimed at providing investment education and providing information on shareholder rights and obligations among others

New market/ product development – The plan intends to promote market and product diversification capable of meeting the needs of both investors and issuers of securities on one hand and the national economy on the other.

Market Deepening – The plan also emphasizes the essentials of deepening the equities market and in particular the bond or debts market for financing the development and growth of the private sector and the country's infrastructure.

Capacity building of industry participants and regulators.

Positioning Ghana as the financial hub in the sub-region of West-Africa

## Public Education

The department continued with its strategy of sensitizing and providing relevant information to key stakeholders towards the deepening and development of the Ghanaian capital market. Apart from feature articles published in various Ghanaian daily newspapers, personnel of the department also granted interviews and participated in panel discussions on radio and television with respect to various issues pertaining to capital market activities. The Department made several presentations to student groups on the functions and mechanisms of the capital market in addition to in-depth investment information and opportunities available on the market.

The Department also participated actively in the country's financial literacy programme sponsored by the Ministry of Finance and Economic Planning.



It involved all the sectors and players in the financial industry in the country and was targeted at the youth, particularly students in tertiary institutions and the general working public.

## **Publications**

The Research and Market Development Department reviewed for reprinting the following brochures as part of the Commission's policy to provide free information to the public and market operators;

**An investors guide to unit trusts and mutual funds** – The guide contains detailed and simple to understand information on what mutual funds and unit trusts are, what they do, the risks and benefits available to investors joining the schemes.

**Getting started with unit trusts and mutual funds: what you should know** – It educates and provides information to investors and the general public on how to join the collective investment schemes, their rights and obligations as investors or unit holders under the schemes.

**An investors guide to the Administrative Hearings Committee (AHC) of the Securities and Exchange Commission** - This guide is targeted at investors and market operators. It provides them with detailed information about the AHC.

**Guidelines on good corporate governance standards** - It is targeted at listed companies and potential public companies, their management, directors and auditors. It contains easy to understand basic guidelines on how good corporate governance standards and practices can be applied and maintained for profitable operation of corporate entities.

**Securities Industry Licensing and Reporting Requirements** - It is a step by step approach on how to acquire license for all categories of capital market operations in Ghana. It breaks down the legal requirements in the securities industry Law and Regulations with regard to application for licenses and the attendant reporting requirements under each license. It is an easy to understand pocket brochures which has made license application and approval processes very simple and easy.



# **Information Technology (IT) Department**

## Information Technology (IT) Department

Recent developments in the capital market have demonstrated that even the most sophisticated investor is still highly exposed to market fraud. For the commission to keep abreast in the rapidly changing capital market environment requires investments in data analysis and market surveillance tools to enhance the capability and ability of the Commission's staff to analyze market information in an accurate and timely manner to find out relevant indicators for action. The information technology department is focused on supporting the overall strategic objectives of the commission.

The IT department continued to provide support, leadership and vision in the field of Information technology for the Commission. Some of the key functions of the Information Technology department are listed below:-

- Providing leadership on Information Technology management for the commission
- Developing and supporting the commission Information Technology architecture.
- Developing Information Technology plan and strategy for the commission.
- Information Technology Asset Management
- Information Technology Project management
- Information system security
- Establishing and maintaining the Commission website

Several activities took place in the information technology department in the year under consideration. These include the following:

### 1. The Local Area Network(LAN)

The IT department continues to support and maintain the commission's local area network. The network has been stable and very secure

with little down time experience. The commission has acquired two new HP Proliant ML series server under the financial sector reform programme (FSR). These new server has been configured and enabled to replace the gateway servers previously used. One of the servers serves as email server whilst the other an application and file server. The server runs on windows platform and is fully protected by firewalls, antivirus software, anti-spam and spyware solutions. Windows Active Directory services is implemented to allow for effective and efficient management of server objects and services.

### 2. Telephony

The telephone system currently installed at the commission premises is operating effectively. This Private Automatic branch Exchange(PABX) has the capacity of eight(8) main lines with fifty-six extensions lines extensible to sixty-four(64). These lines are all fully operational. Forty new telephone handsets were purchased for the commission under the Financial Sector Reform/Economic Management and Capacity Building (FSR/EMCB) programme.

### 3. Internet and Web based Services

The IT department continued to support and make available email and internet services for the commission for quick and easy communication, information sharing and research. Internet service is provided by Ghana Telecom Broadband4U service. The bandwidth

provided by the broadBand4U service was 1024kps shared with TCP/IP protocols and domain name services(DNS) provided by for name resolution. The Internet speed over the period has been very good averaging about 800kps even though there were periods of very low speeds.

The commission continued to use its registered corporate domain name secghana.org and website [www.secghana.org](http://www.secghana.org) which resides on a server managed by Proweb Solutions Ghana Limited. The SEC Ghana website is monitored and updated with current Information and development in the capital market as well as financial reports from license operators. Complaints and enquiries received through the website were forwarded to the relevant departments for action. Periodic reports from market operators were submitted through email to the commission and forwarded to the relevant department for action.

#### 4. Purchase of IT Equipment and

##### Accessories

The Information Technology (IT) department procured equipments and other accessories under the Financial Sector Reform/Economic Management and Capacity Building (FSR/EMCB) programme. Items purchase include desktop computers, server computers, laptops, laser printers, color printers, photocopiers, scanners, shredders,

UPS, fax machines and smart boards etc for the commission. These items were procured from Kensington Information Technology Limited after a national competitive bidding.

The department also procured IT consumables such as toners, cartridges, keyboards, binding combs recordable CDs and DVDs.

The department also purchased the following application software under the FSR/EMCB programme.

No.	Description
1.	Backup and Data protection Software
2.	Crystal Reports XI Developer Edition
3.	Ms Visual Studio .Net
4.	Mdaemon Mail Server V10.00
5.	Human Resource Management System
6.	Payroll Processing Software
7.	Accounts and Financial Management System Software

#### 5. Upgrading and Maintenance Of software

The IT department continues to host, maintain, update and troubleshoot the corporate email and application server. These include the upgrade of the proxy server software to the latest version. The mail transport agent and file transfer protocol application on server was also configured and upgraded to the most current version. The department continued to apply

patches and updates to the commission's operating systems, antivirus, antispam and spyware software.

The commission upgraded its payroll processing, accounting and financial management system and the human resource management system by purchasing Topaz Accounting system. This is an integrated software solution for payroll processing, human

resource management system and accounting/financial management system. This solution is currently being implemented. Maintenance agreement has been signed with software vendor for support services.

## **6. Application Development**

The IT department continued with the development of application software to automate some of the in-house tasks that are performed by staff .SECMIS (i.e. Securities and Exchange Commission Management Information System) is application software developed using Microsoft access, Visual Basic and Crystal reports. It is currently being used to capture details of listed companies, license holders, trading results and for data analysis.

## **7. Troubleshooting and User Support**

The IT department provide user support to all categories of staff on use of computers, application software and other IT equipment through training programmes and support given to staff in their normal line of duty. Repair, troubleshooting computer hardware, application software and networks were problem handled by the IT department during the period.

The automation of The Ghana stock Exchange has made it imperative that the SEC employs electronic surveillance tools to analyze and monitor market information and submissions by market operators. In this regard the SEC engaged a consultant to do a feasibility study and systems analysis of the existing IT infrastructure of the commission, Ghana Stock Exchange, the securities depository and market operators to identify deficiencies and propose solutions for implementing an electronic surveillance/monitoring system. The consultant has completed the assignment and has proposed solutions for implementation.



# **Human Resource Management And Administration Department**

# Human Resource Management And Administration Department

## INTRODUCTION

The Human Resource and Administration (HRH/A) Department provides central support service to the organization by developing, implementing and evaluating the Commission's programmes in relation to the quality of its human resources, manpower planning, recruitment, training and development, performance management and measurement, compensation and motivation, employee relations, counseling, ensuring timely supply and management of the organization's required logistics and general administration among others.

## STAFF POSITION

During the year, the Securities and Exchange Commission continued to suffer a high rate of attrition among its professional staff. Some of them left to seek greener pastures elsewhere as conditions of service remained unchanged and un-attractive. The Commission lost one Senior Manager, a Manager and an Assistant Manager when they tendered in their resignation. Approval was therefore granted by the Board to fill the vacancies.

Four (4) unsolicited applications were subsequently short-listed and the applicants invited for interview to fill vacant positions in the Research and Market Development and Market Surveillance Departments. Although they all accepted the offer, only the Assistant Manager, Market Surveillance, commenced work in December 2008 and is still at post. The Commission again placed advertisements in the daily newspapers inviting fresh applications to fill the vacant positions left. Just as short-listing was completed and successful applicants were due to be invited for interviews, than a

letter from the Ministry of Finance and Economic Planning was received freezing recruitments into public institutions.

## AUXILLIARY STAFF

In order to augment the staffing position in view of the high attrition rate, the department with the permission of Management requested as an interim measure, for the services of seven National Service Personnel to be posted from the National Service Secretariat to assist Departments in the Commission perform certain basic functions. Service personnel were duly posted to the SEC in November 2008.

## PROCESSING AND MAINTENANCE OF EMPLOYEE RECORDS

During the reporting year, the department continued to work on all exit interviews to ascertain and record reasons why professional staff leave. It also worked on those records to formulate strategies for staff retention. The Department again continued to keep a formal system of gathering and maintaining required information on applicants, employees and former employees of the Commission.

## PROCUREMENT OF OFFICE FACILITIES AND LOGISTICS

The Department ensured that logistics, supplies and facilities were procured on timely basis to facilitate smooth functioning and operations of the Commission. It is of interest to note that these logistics and items were all procured in accordance with both the existing internal control mechanisms in the Commission and the national procurement Law and procedures.



## HUMAN RESOURCE MANAGEMENT AND ADMINISTRATION DEPARTMENT

### STAFF TRAINING AND DEVELOPMENT

The Department prepared and implemented a training plan approved by the Board of the Commission for the period under review. All senior officers and most junior officers attended training programmes and seminars both locally and overseas. The training programmes were intended to improve knowledge and skills of staff in the management, regulation and development of the securities market in Ghana. Among the key training and development programmes attended were;

Securities Market Regulation and Bond Trading, Nigeria.  
Corporate Finance and Advanced Financial Statement Analysis, Dubai

Capital Market Development and Oversight, South Africa  
International Law Institute -Capital Markets Seminar, USA  
International Institute for Securities Market Development, US SEC.  
Legal training - Ghana

### MANAGEMENT AND MAINTENANCE OF OFFICIAL VEHICLES

The Commission has 9 (nine) official vehicles and one motorcycle.

The details of the Commission's vehicles with their registration numbers and usage are as below:

No	Registration number	Usage	Condition
1.	GT 1945 Y	Used by the Director General	In good working condition
2.	GT 607 Z	Used by the Deputy Director General II	In good working condition
3.	GT 4407 Y	Used by the Deputy Director General I	In good working condition
4.	GW 2319 Y	Assigned to CF & IM Department	In good working condition
5.	GW 2320 Y	Assigned to MS Department	In good working condition
6.	GW 2144 U	Assigned to R & MD Department	In good working condition
7.	GT 668 Z	In the pool for use by the rest of the Departments	In good working condition
8.	GW2321 Y	In the pool for use by the rest of the Departments	In good working condition
9.	GR 7217 H	In the pool for use by the rest of the Departments	In good working condition
10.	GT 1428 (Motor cycle)	In the pool	Very old and breaks down often



## **Appendix 1**

# APPENDIX 1

## STAFF LIST

1.	Dr. Nii Kwaku Sowa	Director General	
2.	Mr. Ekow Acquah Arhin	Deputy Director General II	
3.	Mr. Kenneth Okwabi	Deputy Director General I	

## SENIOR MANAGERS

1.	Mr. Emmanuel Ashong Katai	Head, Research and Market Development	Senior Manager
2.	Mrs Gladys Aryeetey	Head, Admin and Human Resource	Senior Manager
3.	Mr. Emmanuel Mensah Appiah	Head, Market Surveillance	Senior Manager
4.	Mrs. Leonie Atayi	Head, Corporate Finance and Investment Mgmt	Senior Manager
5.	Jacob Benson Aidoo	Head, Accounts	Senior Manager
6.	Mark Made	Senior Manager, Legal	Senior Manager (Secondment)
7.	Frederick Sappor	Head Internal Audit	Senior Manager

## MANAGERS

1.	Mrs Juliana Amonoe Neizer	Board Secretary/ Acting Head Legal	Manager
2.	Ms. Evdyn Essien	Manager, Market Surveillance	Manager
3.	Robert Dowuona Owoo	Manager, Market Surveillance	Manager

## ASSISTANT MANAGERS

1.	John Sarpong	Assistant Manager, CF & IM	Asst Manager
2.	Robert Quaye	Asst Manager, IT	Asst Manager
3.	Emmanuel Sakyi Appiah	Asst Manager, CF & IM	Asst Manager
4.	Francis Boadu	Asst Manager, Surveillance	Assistant Manager

## OFFICER I

1.	Aretha Blankson	Officer I, Admin & HR	Officer I
2.	Eric Tenkorang	Officer 1, Accounts	Officer 1

## OFFICER II

1.	Martin Aflo	Officer II, Market Surveillance	Officer II
2.	Naomi Attibu	Officer II, Market Surveillance	Officer II
3.	Vida HarrisonIndome	Executive Assistant	Officer II
4.	Joana Esi Odoom	Officer II , R & MD	Officer II
5.	Esther Larweh	Officer II, Surveillance	Officer II
6.	Wahab Adams Hamidu	Officer II, IT	Officer II
7.	Maxwell Gidi	Officer II, CF & IM	Officer II
8.	Helena ArmahAttoh	Officer II, Admin & HR	Officer II
9.	Isaac Asante	Temporary Staff	

## SUB OFFICERS

	Eric Eduboah	Accounts Officer	Sub Officer
1.	Rosemary Amofah Acheampong	Protocol Officer	Sub Officer

## SENIOR CLERKS

1.	Ivy Doe Adjei	DDG's Secretary	Senior Clerk
2.	Miriam Apima Kwao	DDG I's Secretary	Senior Clerk
3.	Matilda Agorsah	Receptionist	Senior Clerk

## DRIVERS

1.	Perry Attange	Chief Driver	Chief Driver
2.	Christian Ababio	DDG I's Driver	Senior Driver
3.	Isaac Kingsford Daniels	DDG's Driver	Office Assistant I
4.	William Oblie	DG's Driver	Office Assistant I
5.	Eric Anie	Driver	Office Assistant I
6.	Bruce Ohene	Driver	Office Assistant I

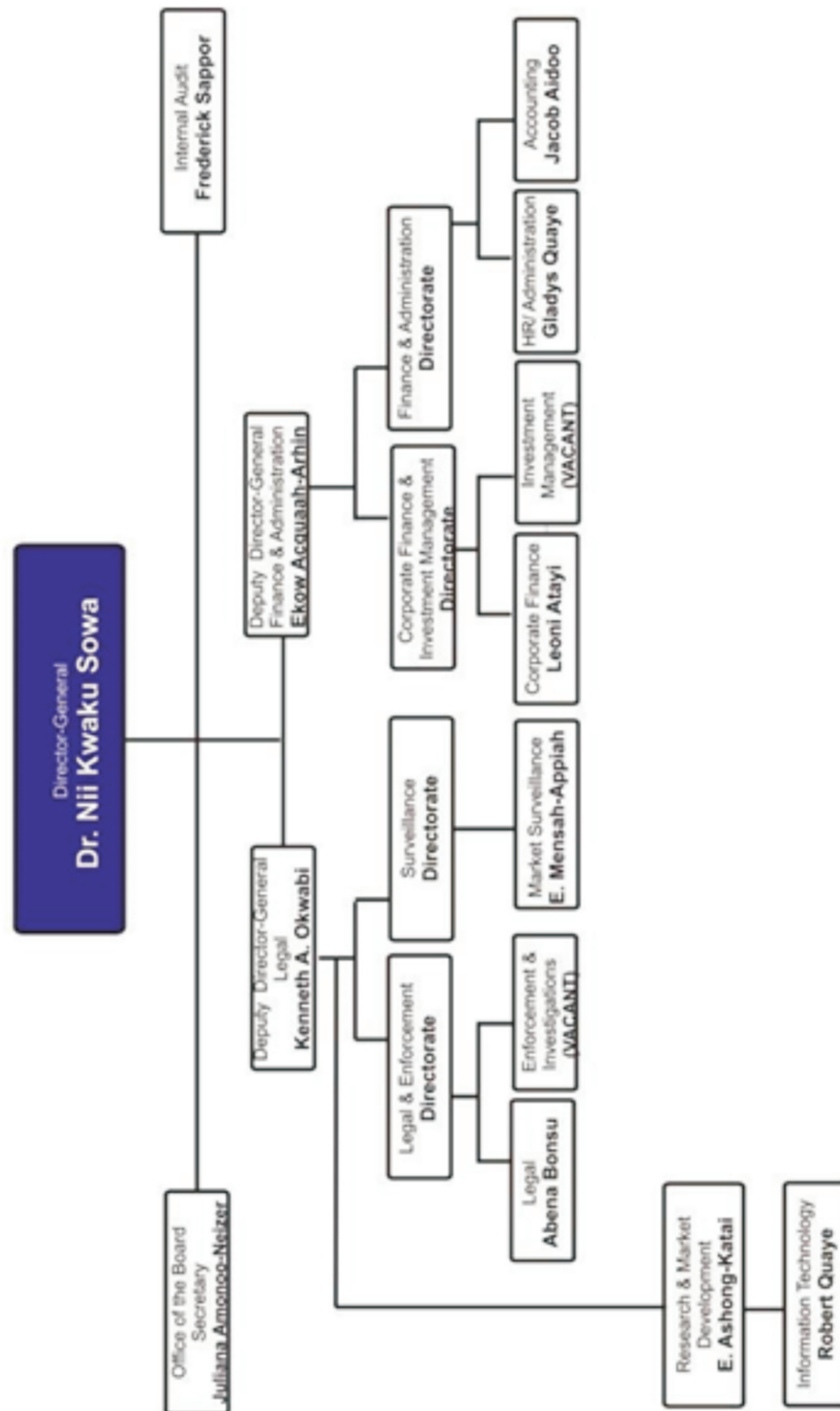
## DISPATCH RIDER

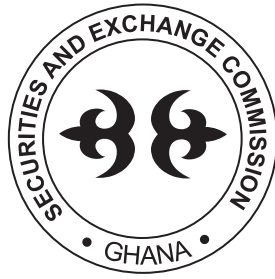
1.	Isaac Ntiamoah	Dispatch Rider	Office Assistant I
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## OFFICE ASSISTANT

1.	Alexander Mackay	Office Assistant	Office Assistant II
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## ORGANIZATIONAL STRUCTURE





# **FINANCIAL STATEMENT**

**SECURITIES AND EXCHANGE COMMISSION**

**FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER, 2008**

**OSEI KWABENA & ASSOCIATES  
(CHARTERED ACCOUNTANTS)  
71 PALACE STREET, 603/18  
NORTH KANESHIE  
P. O. BOX 10276  
ACCRA - NORTH**



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# Securities And Exchange Commission

CONTENTS	PAGES
Report of the Commissioners	
Report of the Auditors	
Income and Expenditure Statement	
Balance Sheet	
Cashflow Statement	
Notes to the Financial Statements	

# Securities And Exchange Commission

## **STATEMENT OF COMMISSIONERS RESPONSIBILITY**

The Commissioners are required to prepare financial statements for the financial year which give a true and fair view of the state of the Commission and of the results for that period. In preparing those financial statements, the Commissioners are required to:-

- a. Select suitable accounting policies and then apply them consistently.
- b. Make judgements and estimates that are reasonable and prudent
- c. State whether applicable accounting standards have been followed.
- d. Prepare the financial statements on a going concern basis.

The Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission and to enable them to ensure that the financial statements comply with the Securities Industry Law 1993(PN.D.C. L333) as amended by Act 590 ,2000.They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Securities And Exchange Commission

## **REPORT OF THE AUDITORS**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF COMMISSIONERS AND AUDITORS**

These financial statements are the responsibility of the Commissioners. Our responsibility is to express an independent opinion, based on our audit, on these financial statements.

### **BASIS OF OPINION**

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commissioners in the preparation of the financial statements, and of whether the accounting policies are appropriate to the commission's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion, proper books have been kept and the financial statements, which are in agreement therewith, comply with the Securities Industry Law 1993 (P.N. D.C L 333 ) as amended by Act 590,2000 and give a true and fair view of the state of the Commission's affairs as at 31st December,2008 and of the income and cashflow for the year.

  
.....  
**OSEI KWABENA & ASSOCIATES**  
**(CHARTERED ACCOUNTANTS)**  
**OSEI KWABENA & ASSOCIATES**  
**(CHARTERED ACCOUNTANTS)**

April, 2009

# Securities And Exchange Commission

## **INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER, 2008**

	<b>Note</b>	<b>2008 GH¢</b>	<b>2007 GH¢</b>
<b>INCOME</b>			
Ghana Government Subvention	2	953,979.51	1,913,539.00
Other Income	3	2,960,391.69	991,242.00
<b>Total Income</b>		<b>3,914,371.20</b>	<b>2,904,781.00</b>
<b>EXPENDITURE:</b>			
Emoluments and Allowances	4	686,611.74	583,386.00
Administrative Activity Expenses	5	796,901.61	495,631.64
Service Activity Expenses	6	308,331.38	239,669.00
<b>Total Expenditure</b>		<b>1,791,844.73</b>	<b>1,318,686.64</b>
<b>Excess of Income Over Expenditure Transferred to Accumulated Fund</b>		<b>2,122,526.47</b>	<b>1,586,094.36</b>

# Securities And Exchange Commission

## BALANCE SHEET AS AT 31 DECEMBER, 2008

	Note	2008 GH¢	2007 GH¢
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	2,064,031.22	1,899,858.48
<b>CURRENT ASSETS</b>			
Short-Term Investment	9	2,036,639.83	4,263.00
Sundry Debtors	10	301,136.33	206,587.00
Prepayments	11	18,001.00	8,525.00
Cash at Bank	12	399,114.57	579,168.00
Cash on Hand	13	7,432.33	2,903.00
		2,762,324.06	801,446.00
<b>Total Assets</b>		<b>4,826,355.28</b>	<b>2,701,304.48</b>
<b>EQUITY AND LIABILITIES</b>			
Accumulated General Fund	14	4,802,318.17	2,679,792.00
<b>CURRENT LIABILITIES</b>			
Creditors	15	24,036.91	21,512.02
Total Liabilities		24,036.91	21,512.02
<b>Total Equity and Liabilities</b>		<b>4,826,355.08</b>	<b>2,701,304.02</b>

  
.....  
  
.....  
COMMISSIONERS

The attached notes 1 to 14 on pages 7 to 13 form an integral part of the financial statements and should be read in conjunction therewith.

# Securities And Exchange Commission

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 GH¢	2007 GH¢
Net Operating Surplus	2,122,526.47	1,586,094.00
Adjustment for:		
Depreciation	189,091.78	93,069.93
Profit on Sale on Motor Vehicles	-	(15,250.00)
	2,311,618.25	1,663,913.93
Changes in operating Assets and Liabilities:		
(Increase)/Decrease in Debtors	(94,549.00)	(128,871.00)
(Increase)/Decrease in Prepayment	(9,476.00)	7,516.00
Increase/(Decrease) in Creditors	2,525.00	7,377.00
(Increase)/Decrease in Investment	(2,032,377.00)	454,591.00
Net Cashflow from Operating Activities	177,741.25	340,613.00
Investment Activities:		
Purchase of Fixed Assets	(353,265.00)	(1,525,406.00)
Proceeds of Sale of Fixed Assets	-	15,250.00
Increase/(Decrease) in Cash Equivalent	(175,523.75)	(1,169,543.00)

## Analysis Of Changes In Cash And Cash Equivalent

	2008 GH¢	2007 GH¢
Balance B/Fwd @ 01/01/	582,071.00	87,700.00
Net Change in Cash	(175,523.75)	494,371.00
Closing Balance @ 31/12/	406,547.25	582,071.00

# Securities And Exchange Commission

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008**

### **1 ACCOUNTING POLICIES**

The financial statements set out on pages to have been prepared in accordance with the following accounting policies.

#### **a Basis of Accounting**

These financial statements have been prepared using the historical cost convention.

#### **b Depreciation**

Depreciation is provided on a straight-line basis at rates, calculated to write-off costs of the each fixed assets over its estimated useful economic life to the Commission. The rates applicable were:

Building	4%
Motor Vehicles	20%
Plant & Machinery	20%
Furniture, Fixtures & Fittings	10%
Office Equipment	15%
Household Equipment	15%
Household Furnishing	25%

#### **c Foreign Currency**

Transactions denominated in foreign currencies are converted using the foreign exchange rates ruling at the date of the transactions. Balances held in foreign currencies are translated into cedis using the exchange rates ruling on the balance sheet date, 31 December, 2008.



# Securities And Exchange Commission

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

### 2 GOVERNMENT SUBVENTION -GH¢ 953,979.51

This is made up as follows:	2008	2007
	GH¢	GH¢
Personnel Emolument		
Administration	695,031.34	589,283.00
Services	221,210.17	218,426.00
Investment	37,738.00	22,479.00
	-	1,083,351.00
	<u>953,979.51</u>	<u>1,913,539.00</u>

### 3 OTHER INCOME -GH¢ 2,960,391.69

This is made up as follows:

Licences Fees	173,050.00	86,020.00
Investment Income	99,934.00	34,114.00
Penalties	98,770.00	80,483.00
Transactions Levy	1,097,594.15	437,283.00
Prospectus Approval Fees	1,302,055.23	202,862.00
Bidding Document Fees	2,000.00	1,000.00
Interest On Staff Loans	3,196.82	1,338.00
Foreign Exchange Gain	138,869.37	-
Contribution for Securities Week	-	1,000.00
Auction Proceeds	-	15,250.00
FINISSIP Support	29,776.12	130,400.00
Foreign Trip Foreign Refund	-	1,234.00
Sale of License Forms /Corporate Gov'ce Manual	15,146.00	258.00
	<u>2,960,391.69</u>	<u>991,242.00</u>

### 4 PERSONNEL EMOLUMENTS - GH ¢ 686,611.74

This is made up as follows:

Basic	411,956.44	346,289.00
Employers Contribution	48,617.57	40,486.00
Allowances	226,037.73	196,611.00
	<u>686,611.74</u>	<u>583,386.00</u>

# Securities And Exchange Commission

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

### 5 ADMINISTRATIVE EXPENSES -GH ₵ 796,901.61

<b>This is made up as follows:</b>	<b>2008 GH₵</b>	<b>2007 GH₵</b>
Electricity and Water	8,040.02	3,217.00
Telecommunication	12,251.45	7,248.00
Postal Expenses	500.35	2,428.00
Security Service	36,472.83	18,149.00
Office Cleaning and Sanitation	18,572.50	257.00
Stationery and Office Supplies	18,293.42	11,773.00
Entertainment Allowance and Refreshments	21,771.15	14,472.00
Publications and Library Books	219.00	5,231.00
Subscriptions and Membership Fees	46,874.47	3,916.00
Ground Rent	1,499.00	4,158.00
Travelling and Transport	6,089.92	6,273.00
Vehicle Running Costs	95,034.41	63,378.00
Repairs and Maintenance:		
Official Vehicles	11,571.88	11,439.00
Furniture and Fittings	2,421.14	883.00
Property ,Plant and Equipment	6,648.78	14,017.00
Insurance:		
Official Vehicles	6,886.56	10,240.00
Official Building	1,847.96	-
Medical	18,714.08	18,714.00
Bank Charges	2,516.13	489.00
Commissions & Fees	-	1,068.00
Consultancy Fees/Expenses	3,850.00	10,649.00
Medical Expenses	9,360.59	33,159.14
Audit Fees/Expenses	4,278.80	3,777.00
Donations and Contributions	1,600.00	-
Honoraria and Protocol	10,935.00	4,242.00
Legal Fees	-	520.00
Auction Proceeds to MOFEP	12,550.00	-
Staff Welfare Expenses	8,177.00	7,653.00
Acting Allowance	-	13,985.57
Balance Carried Down	366,976.44	271,335.71

# Securities And Exchange Commission

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

	<b>Note</b>	<b>2008 GH¢</b>	<b>2007 GH¢</b>
Balance Carried Forward		366,976.44	271,336.00
Board Members' Fees		43,452.75	40,668.00
Bonus Expenses		122,427.00	47,746.00
Accrued Leave Expenses		-	1,816.00
Contract Printing		46,183.64	12,313.00
Staff Utility		20,479.80	17,231.00
Outstation / Local Hotel Expenses		8,290.20	11,452.00
Depreciation		189,091.78	93,069.93
		<b>796,901.61</b>	<b>495,631.93</b>

### 6 SERVICE ACTIVITY EXPENSES -GH¢ 308,331.38

This is made up as follows:

Foreign Training & Conferences	192,288.04	121,697.00
Travel Insurance	1,415.63	-
Staff Local Training	9,752.00	9,682.00
Hire of Venue	-	1,124.00
Media Coverage/Publicity	28,433.75	38,083.00
Advertisement	17,299.57	11,526.00
Hotel Accomodation	49,638.42	47,529.00
Printing and Publications	4,800.99	3,716.00
Internet Connectivity Charges	4,702.98	6,312.00
	<b>308,331.38</b>	<b>239,669.00</b>

### 9 SHORT - TERM INVESTMENT -GH ¢ 2,036,640.00

This represents Short-Term Investments stated at market value.

# Securities And Exchange Commission

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

### **SUNDRY DEBTORS -GH¢ 301,136.33**

<b>This is made up as follows:</b>	<b>2008 GH¢</b>	<b>2007 GH¢</b>
Staff Rent Advance	44,631.34	25,362.00
Accounts Receivable (Ghana Government)	19,482.92	80,957.00
Staff Car Loan	210,239.29	85,537.00
Staff M'bike Loan	10,450.92	6,315.00
Auction Receivable	200.00	6,050.00
Personal Loan	15,871.86	2,206.00
Refund to GDHC Shareholders	260.00	160.00
	<b>301,136.33</b>	<b>206,587.00</b>

### **11 PREPAYMENTS- GH¢ 18,000.77**

This is made up as follows:

Insurance Prepaid (Vehicle)	18,000.77	8,525.00
	<b>18,000.77</b>	<b>8,525.00</b>

### **12 BANK AND CASH BALANCES- GH¢ 399,114.57**

This is made up as follows:

Bank of Ghana (Dollar Account)	329,434.74	135,267.00
Bank of Ghana (Cedi Account)	27,596.53	62,043.00
Ecobank Ghana Ltd. (Account No. 1)	31,805.79	316,910.00
Ecobank Ghana Ltd. (Account No. 2)	10,277.51	64,948.00
	<b>399,114.57</b>	<b>579,168.00</b>

### **13 CASH ON HAND -GH¢ 7,432.33**

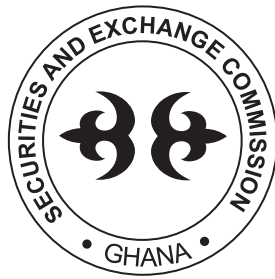
This is made up as follows:

Petty Cash	211.33	108.00
Accountable Imprest	7,221.00	2,795.00
	<b>7,432.33</b>	<b>2,903.00</b>

# Securities And Exchange Commission

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2008

<b>14 ACCUMULATED FUND -GH¢ 4,802,318.17</b>	<b>2008</b>	<b>2007</b>
	<b>GH¢</b>	<b>GH¢</b>
This is made up as follows:		
Balance @ 01/01	2,679,791.70	1,093,697.70
Transfer from Income and Expenditure	2,122,526.47	1,586,094.00
Balance @ 31/12	4,802,318.17	2,679,791.70
 <b>15 CREDITORS -GH¢ 24,036.91</b>		
This is made up as follows:		
Electricity Company of Ghana	667.11	86.00
Ghana Water Company Ltd	60.91	32.00
Ghana Telecom Ltd	324.67	140.00
IRS - PAYE	7,029.00	2,392.52
SSNIT	3,742.69	3,449.00
Audit Fees	3,795.00	3,450.00
Withholding Tax Payable	-	1,816.00
Security-Westech	-	2,185.00
Members Allowance Accrued	6,840.00	-
Shell Castle Road-Fuel	-	6,353.00
Staff Welfare Fund	-	205.00
Provident Fund	1,577.53	1,404.00
	<hr/>	<hr/>
	24,036.91	21,512.52



# **Register of Licensed Market Operators (Appendix 2)**

## Appendix 2

### LICENSED BROKER-DEALERS

#### A. BROKER-DEALERS

##### **CAL BROKERS LIMITED**

45 Independence Avenue  
P. O Box 14596  
Accra  
TEL: 021-680052, 021-680061-9  
Email: calbrokers@calbank-gh.com  
Website: www.calbank-gh.com

##### **IC SECURITIES LTD.**

West Bank Lane  
3rd Floor, Ghana House  
High Street, Accra.  
Tel: (021) 671285  
Fax: (021) 671287  
Email: icsecurities@icsecurities.com

##### **SDC BROKERAGE SERVICES LIMITED**

1st Floor Former Npart Building  
Asafoatse Street,  
P. O Box GP 14198, Accra  
Tel: 021-669372-5  
Fax: 021-669371  
Email: brokerages@sdcggh.com  
Website: www.sdcgh.com

##### **GOLD COAST SECURITIES LIMITED**

18TH Avenue Ridge  
P O Box GP 17187  
Accra  
Tel: (021) 256342/3  
Fax: (021) 256344  
Email: gclspartner@yahoo.com

##### **DATABANK BROKERAGE LIMITED**

No. 61 Barnes Road  
Adabraka  
PMB, Ministries Post Office, Accra  
Tel: 021-669110/669417/662363  
Fax: 021-669100  
Email: info@databankgh.com  
Website: www.databankgroup.com

##### **NEW WORLD RENAISSANCE SECURITIES LTD**

2nd Floor Heritage Tower,  
Ambassadorial Enclave  
P. O Box CT 2868 Cantonments, Accra  
Tel: 021-660163/676979/676980  
Fax: 021-670518  
Email: service@newworldgh.com  
Website: www.newworld.com.gh

##### **MERBAN STOCKBROKERS LIMITED**

Merban House 44 Kwame Nkrumah Avenue  
P O Box 401  
Accra  
Tel: (021) 251131-6  
Fax: (021) 251138  
Email: Merban\_Services@merbangh.com

##### **WORLDWIDE SECURITIES LIMITED**

No. 8 Ringway Link  
P. O Box OS 01072  
Osu- Accra  
TEL: 021-764578, 021-256001  
FAX: 021-764580  
Email: info@worldwidesecurities-gh.com  
Website: www.worldwidesecurities-gh.com

##### **FIRST ATLANTIC BROKERS LTD**

Atlantic Place No. 1 Seventh Avenue  
Ridge West, Accra  
P. O. Box CT 1620  
Cantonments  
Accra, Ghana.  
TEL: (+233) 21 682203/4, 680825/6, 679248  
Fax: (+233) 21 679250  
Website: www.firstatlanticbank.com.gh

##### **PRUDENTIAL SECURITIES LIMITED**

8 Nima Avenue,  
Ring Road Central. Accra.  
P. O. Box CT 628 Cantoments, Accra.  
Tel: (233-21) 771284, 770963, 768386.  
Fax: (233-21) 768046  
Email: info@prudentialsecuritiesghana.com



### **SIC FINANCIAL SERVICES LIMITED**

No. 28/29 Ring Road East (Nyemitei House) Osu.  
P.O. Box 2363, Accra, Ghana.  
Tel: (233-21) 767051, 767163, 767117  
Fax: 767021  
Email: infofsl@sic-gh.com  
Website: www.sic-fsl.com

### **HFC BROKERAGE SERVICES LTD**

6 Sixth Avenue Ambassadorial Enclave,  
West Ridge, Accra.  
P O Box CT 4603  
Cantoments, Accra.  
Tel: (233-21) 683891-3, 664203, 664214,  
Fax: (233-21) 664106  
Email: brokerage@hfcbank-gh.com  
Website: www.hfcbank-gh.com

### **EDC STOCKBROKERS LIMITED**

No. 5 2nd Ridge Link  
North Ridge  
P. O Box AN 16746  
Accra  
Tel: 021-251720/7  
Fax: 021-251734  
Email: esl@ecobank.com

### **STRATEGIC AFRICAN SECURITIES LIMITED**

2nd Ridge Link,  
North Ridge  
P. O Box 16446  
Accra  
Tel: 251546-9 / 7011770  
Fax: 251550-1 / 7010774  
Email: sasltd@africaonline.com.gh

### **AFRICAN LEGACY FINANCE LIMITED**

46 Senchi Steet,  
Airport Residential Area  
Accra  
Tel: 021-776163  
Email: africanlegacygroup@gmail.com

### **CDH SECURITIES LIMITED**

No. 36 Independence Avenue, North Ridge  
P.O. Box 14911 Accra Ghana  
(Adjacent National Insurance Commission)  
Tel: (233-21) 667425-8, 7010394  
Fax: (233-21) 662167  
Email: service@cdhghana.com

### **LIBERTY CAPITAL (GHANA) LIMITED**

Chez Julie Plaza  
30 Paa Grant Street, Community 10, Tema  
P.O. Box CS 8876  
Tema, Ghana  
Tel: (233-22) 301486  
Email: info@libertygp.com

### **NTHC SECURITIES LIMITED**

Martco House, Adabraka  
P. O Box KIA 9563  
Airport  
Accra  
Tel: 238492-3/235814-5  
Fax: 229975/240243  
Email: nthc@ghana.com

### **AFRICAN ALLIANCE SECURITIES LIMITED**

2nd Floor, Heritage Tower  
Ambassadorial Enclave  
6th Avenue, Ridge  
Accra  
Tel: 021-679761/2  
Fax: 021-679698  
Email: nelson@africanalliance.com  
Website: www.africanreliance.com

### **BLACK STAR BROKERAGE LTD**

F 304/5, 5<sup>TH</sup> Norla Street  
Labone, Accra  
PMB 59, Osu, Accra  
Tel: 021-785553  
Fax: 021-768067  
Email: charles@blackstarbrokerage.com  
Website: www.blcakstarbrokerage.com

## LICENCE INVESTMENT ADVISERS

### **ORIALLES CAPITAL LTD.**

NO. 35 Nketsobu Street, Osu  
P. O. Box CT 5411  
Cantonments, Accra.  
TEL: 021 7011131/0246551586

### **DATABANK ASSET MANAGEMENT SERVICES LTD**

No. 61 Barnes Road  
Adabraka  
Pmb, Ministries Post Office  
Accra  
Tel: 021-681404, 021-7010070  
Fax: 021-681443, 021-669100  
Email: [info@ databankgh.com](mailto:info@ databankgh.com)  
Website: [www.databankgh.com](http://www.databankgh.com)

### **NEW WORLD RENAISSANCE SECURITIES LIMITED**

2nd Floor Heritage Towers  
Ambassadorial Enclave  
P.O Box CT 2868  
Cantonments, Accra  
Tel: 021-660163/676979/676980  
Fax: 021-670518  
Email: [service@newworldgh.com](mailto:service@newworldgh.com)  
Website: [www.newworld.com.gh](http://www.newworld.com.gh)

### **ECOBANK INVESTMENT MANAGERS LIMITED**

19th Seventh Avenue  
Ridge West  
P. O Box 16746  
Accra  
Tel: 021-681148/680421  
Fax: 021-256344  
Email: [ecobankgh@ecobank.com](mailto:ecobankgh@ecobank.com)

### **GOLD COAST SECURITIES LIMITED**

18th Avenue, Ridge  
P. O Box GP 17187  
Accra  
Tel: 021-256342/3,  
Fax: 021-256344  
Email: [gclspartner@yahoo.com](mailto:gclspartner@yahoo.com)

### **HFC INVESTMENT SERVICES LTD**

6 Sixth Avenue, West Ridge  
P. O.Box CT 4603  
Cantonments  
Tel: 021 - 683891-3  
Email: [isl@hfcbank-gh.com](mailto:isl@hfcbank-gh.com)  
Website: [www.ghana.com.gh/hfc](http://www.ghana.com.gh/hfc)

### **AUREOS GHANA ADVISORS LTD**

Regimanuel Gray Head Office  
NO. 2 LA By – Pass  
P O Box 2617, Accra  
TEL: 770212 – 3 / 765116 - 7  
Email: [jkholi@ aureoswa@com](mailto:jkholi@ aureoswa@com)

### **WORLDWIDE SECURITIES LIMITED**

NO. 8 Ringway Link  
P.O Box OS 01072  
Osu- Accra  
TEL: 021-764578-9,  
Email: [wic@africaonline.com.gh](mailto:wic@africaonline.com.gh)

### **MERBAN INVESTMENT HOLDINGS LTD**

Merban House,  
44 Kwame Nkrumah Avenue  
P. O Box 401  
Accra  
TEL: 021-666331-5  
Email: [merban\\_services@merbangh.com](mailto:merban_services@merbangh.com)

### **FIRST ATLANTIC ASSET MANAGEMENT LTD**

Atlantic Place  
No. 1 Seventh Avenue  
Ridge West, Accra  
P.O. Box CT 1620  
Cantonments  
Accra, Ghana.  
TEL: 231433 – 5  
Email: [info@firstatlanticbank.com.gh](mailto:info@firstatlanticbank.com.gh)  
Website: [www.firstatlanticbank.com.gh](http://www.firstatlanticbank.com.gh)

### **SEM CAPITAL MANAGEMENT LTD.**

4<sup>TH</sup> Floor, Trust Towers  
P. O. Box CT 2069  
Accra  
TEL: 7010250  
FAX: 240666  
EMAIL: capital@semfinancial.com

### **LIBERTY INVESTMENTS LIMITED**

P. O. Box GP 18086  
Accra  
TEL: 233-21-689679  
FAX: 233-21-679341

### **CAL ASSET MANAGEMENT LTD.**

23 Independence Avenue  
P. O. BOX 14596  
Accra.  
TEL: (021) 667425-8/7010394  
Fax: (021) 662167  
Email: service@cdhghana.com

### **FIDELITY ASSET MANAGEMENT LTD**

Ridge Towrs, Ridge Accra  
PMB 43  
Cantonments, Accra  
Tel:(233)-21-245850  
Fax:(233)-21-245851  
Email:services@fidelityghana.com  
Website:www.fidelityghana.com

### **CIDAN INVESTMENT & ADVISORY SERVICES LTD**

Cidan House  
Community 11, Tema  
P.O Box BT 615  
Tema  
Tel: (233)-22-301243, 0277-838387, 0243-818199  
Email: cias@yahoo.com;  
info@cidaninvestment.com

### **SDC BROKERAGE SERVICES LTD**

2nd Floor, City Building  
Post Office Square  
P O Box 14198  
Accra  
TEL: 669372 – 5  
Email: brokerage@sdcggh.com

### **NEW GENERATION INVESTMENT SERVICES LTD**

1st Floor , Cocobod Jubilee Building  
Adum, Kumasi  
P.O Box UPO 603  
Kumasi-Ghana  
Tel:051-91607-9  
Fax: 051- 34854/31286

### **FIDELITY CAPITAL PARTNERS LTD**

18 Aviation Road  
PMB CT 255  
Cantonments, Accra  
Tel:(233)-21-782625  
Fax:(233)-21-782627  
Email: info@fidelitycapitalpartners.com  
Website: www.fidelitycapitalpartners.com

### **JCS INVESTMENT LTD**

No. 9, 13<sup>TH</sup> Extension  
Ridge West  
P.O.BOX 30710, KIA, Accra  
TEL: (021) – 774567  
FAX: (021) – 774220

### **IC SECURITIES LTD**

3rd Floor  
Ghana House, High Street, Accra  
Tel:(233)-21-671285  
Fax:(233)-21-671287  
Email: icsecurities@icsecurities.com  
Website: www.icsecurities.com

**PRUDENTIAL SECURITIES LIMITED**

8 Nima Avenue  
Ring Road Central. Accra.  
P.O. Box CT 628 Cantoments, Accra.  
Tel: (233-21) 771284, 770963, 768386.  
Fax: (233-21) 768046  
Email: info@prudentialsecuritiesghana.com

**LIBERTY CAPITAL (GHANA) LIMITED**

Chez Julie Plaza  
30 Paa Grant Street, Community 10, Tema  
P. O. Box CS 8876  
Tema, Ghana  
Tel: (233-22) 301486  
Email: info@libertygp.com

**IFS CAPITAL LIMITED**

3rd Floor Opebia House  
37 Liberation Road, Accra  
P.O Box SR344  
Accra.  
Tel:  
Email:

**CDH SECURITIES LIMITED**

No. 36 Independence Avenue, North Ridge  
P.O. Box 14911 Accra Ghana  
(Adjacent National Insurance Commission)  
Tel: (233-21) 667425-8, 7010394  
Fax: (233-21) 662167  
Email: service@cdhghana.com

**EDC INVESTMENTS LIMITED**

No. 5 2nd Ridge Link  
North Ridge  
P.O Box AN 16746  
Accra  
Tel: 021-251720/7  
Fax: 021-251734  
Email: edc@ecobank.com

**SIC FINANCIAL SERVICES LIMITED**

No. 28/29 Ring Road East  
Nyemitei House, Osu.  
P.O. Box 2363, Accra, Ghana.  
Tel: (233-21) 767051, 767163, 767117  
Fax: 767021  
Email: infofsl@sic-gh.com  
Website: www.sic-fsl.com

**STANBIC INVESTMENT MANAGEMENT LIMITED**

Valco Trust House, Ridge  
P. O. Box CT. 2344  
Cantonments, Accra.  
Tel :687670-8  
Email : asiedu@stanbic.com.gh  
boamahk@stanbic.com.gh

**PD ASSOCIATES LIMITED**

19 Coconut Ave.  
Asylum Down, Accra  
P. O. Box CS 8876  
Tema, Ghana  
Tel: (233-21) 240258  
Email:

**NTHC SECURITIES LIMITED**

Martco House, Adabraka  
P. O Box KIA 9563  
Airport, Accra  
Tel: 238492-3/235814-5  
Fax: 229975/240243  
Email: nthc@ghana.com

**BLACK STAR ADVISORS (GH) LTD**

F 304/5, 5<sup>TH</sup> Norla Street  
Labone, Accra  
PMB 59, Osu, Accra  
Tel: 021-785553  
Fax: 021-768067  
Email: info@blackstaradvisors.com

**BOULDERS ADVISORS LTD.**

No.91 Osu Badu Street  
West Airport  
P. O. Box C 3064  
Accra  
Tel: (021) 768625 / 771248 / 779837  
Fax: (021) 771249  
Email: boulders@wwwplus.com

**AFRICAN LEGACY FINANCE LIMITED**

46 Senchi Steet,  
Airport Residential Area  
Accra  
Tel: 021-776163  
Email: africanlegacygroup@gmail.com

**AFRICAN ALLIANCE SECURITIES LIMITED**

2nd Floor, Heritage Tower  
Ambassadorial Enclave  
6th Avenue, Ridge  
Accra  
Tel: 021-679761/2  
Fax: 021-679698  
Email: nelson@africanalliance.com  
Website: www.africanreliance.com

**ECOBANK VENTURE CAPITAL CO. LTD**

No. 19 Seventh Ave  
Ridge West  
P. O Box AN 16746  
Accra-North  
Tel: 681146/8  
Fax: 680435  
Email: evc@ecobank.com

**FIRST BANC FINANCIAL SERVICES LTD**

No. 6 South Liberia Rd,  
P. O Box 1464  
Osu, Accra  
Tel: 921984  
Fax: 921984

**SAS INVESTMENT MANAGEMENT LTD**

2nd Ridge Link, North Ridge  
P.o Box 16446  
Accra  
Tel: 251546-9 / 7011770  
Fax: 251550-1 / 7010774  
Email: sasltd@africaonline.com.gh

**SOROMA CAPITAL LTD**

No. F65/6 Clottey Close,  
North Labone,  
P.O Box CT 1209,  
Cantonments, Accra  
Tel:920805  
Fax:777005  
Email: info@soromacapital.com  
Website: www.soromacapital.com

**QFS SECURITIES LIMITED**

Suite 201, Vertical Court,  
Community 5, Tema  
P. O Box CS 8007  
Tema  
Tel: 205500  
Fax: 207004  
services@qfsgroup.com

**AL-TIME CAPITAL LIMITED**

Asafoatse Kotei Building,  
Community 1, Krakue Rd,  
P. O Box MB 95  
Tema  
Tel:022-207078  
Fax: 022-214994

## CUSTODIANS

### BARCLAYS BANK GHANA LIMITED

Barclays Bank Securities Services  
Barclays House, High Street, Accra  
P. O Box GP 2949, Accra  
Tel: 669258/664901-4  
Fax: 667681  
Email: ghanasecurities@barclays.com

### STANBIC BANK GHANA LIMITED

Valco Trust House  
Castle Road, Ridge  
P. O Box CT 2344  
Cantonments-Accra  
Tel: 687670-8  
Fax: 687669/7011591  
Email: stanbicghana@stanbic.com.gh

### MERCHANT BANK GHANA LIMITED

Merban House,  
44 Kwame Nkrumah Ave. , Accra  
P. O Box 401  
Accra

### PROVIDENT INSURANCE COMPANY LIMITED

Provident Tower  
Ring Road Central  
P. O Box 782  
Accra  
Tel: 229807/233964/221096  
Fax: 239463

## LICENSED COLLECTIVE INVESTMENT SCHEMES

### A. MUTUAL FUNDS

#### EPACK INVESTMENT FUND LIMITED

No. 61 Barnes Road  
Adabraka  
PMB, Ministries Post Office  
Accra  
Tel: 021-681404, 021-7010070  
Fax: 021-681443, 021-669100  
Email: info@ databankgh.com  
Website: www.databankgh.com

#### DATABANK MONEY MARKET FUND LIMITED

No. 61 Barnes Road, Adabraka  
PMB, Ministries Post Office  
Accra  
Tel: 021-681404, 021-7010070  
Fax: 021-681443, 021-669100  
Email: info@ databankgh.com  
Website: www.databankgh.com

#### NTHC HORIZON FUND LIMITED

Martco House, Adabraka  
P. O Box Kia 9563  
Airport  
Accra  
Tel: 238492-3  
Email: nthc@ghana.com

#### SAS FORTUNE FUND LIMITED

2nd Ridge Link, North Ridge  
P. O Box 16446  
Accra  
Tel: 251546-9 / 7011770  
Fax: 251550-1 / 7010774  
Email: sasltd@africaonline.com.gh

#### CAMPUS MUTUAL FUND LIMITED

1st Floor Former Npart Building  
(adjacent Ama)  
House No. D921/3  
Asafoatse Netey Street, Post Office Square  
P.O Box GP 14198

#### ANIDASO MUTUAL FUND LIMITED

1st Floor  
Cocobod Jubilee House, Adum  
Kumasi  
P.O Box Upo 603  
Kumasi

#### DATABANK BALANCED FUND LIMITED

No. 61 Barnes Road  
Adabraka  
PMB, Ministries Post Office  
Accra  
Tel: 021-681404, 021-7010070

#### iFUND MUTUAL FUND LTD

5 Second Ridge Link,  
North Ridge,  
Accra.  
Tel: 021-251720/3/4

## B. UNIT TRUSTS

### HFC UNIT TRUST

6 Sixth Avenue Ambassadorial Enclave,  
West Ridge, Accra.  
P O Box CT 4603 Cantonments, Accra.  
Tel: (233-21) 683891-3, 664203, 664214,  
Fax: (233-21) 664106  
Email: [brokerage@hfcbank-gh.com](mailto:brokerage@hfcbank-gh.com)  
Website: [www.hfcbank-gh.com](http://www.hfcbank-gh.com)

### HFC EQUITY TRUST

6 Sixth Avenue Ambassadorial Enclave,  
West Ridge, Accra.  
P O Box CT 4603 Cantoments, Accra.  
Tel: (233-21) 683891-3, 664203, 664214,  
Fax: (233-21) 664106  
Email: [brokerage@hfcbank-gh.com](mailto:brokerage@hfcbank-gh.com)  
Website: [www.hfcbank-gh.com](http://www.hfcbank-gh.com)

### HFC FUTURE PLAN TRUST

6 Sixth Avenue Ambassadorial Enclave,  
West Ridge, Accra.  
P O Box CT 4603 Cantoments, Accra.  
Tel: (233-21) 683891-3, 664203, 664214,  
Fax: (233-21) 664106  
Email: [brokerage@hfcbank-gh.com](mailto:brokerage@hfcbank-gh.com)  
Website: [www.hfcbank-gh.com](http://www.hfcbank-gh.com)

### HFC REAL ESTATE INVESTMENT TRUST

6 Sixth Avenue Ambassadorial Enclave,  
West Ridge, Accra.  
P O Box CT 4603 Cantoments, Accra.  
Tel: (233-21) 683891-3, 664203, 664214,  
Fax: (233-21) 664106  
Email: [brokerage@hfcbank-gh.com](mailto:brokerage@hfcbank-gh.com)  
Website: [www.hfcbank-gh.com](http://www.hfcbank-gh.com)

### GOLD FUND UNIT TRUST

21 Dr. Isert Road  
North Ridge, Near The Royal Danish  
Embassy  
PO Box GP 17187,  
Accra  
Email: [gcs@goldcoast.com](mailto:gcs@goldcoast.com)

### CAPITAL GROWTH FUND

IC Securities Ltd 3rd Floor  
Ghana House, High Street, Accra  
Tel: (233)-21-671285  
Fax: (233)-21-671287  
Email: [icsecurities@icsecurities.com](mailto:icsecurities@icsecurities.com)  
Website: [www.icsecurities.com](http://www.icsecurities.com)

## LICENCED TRUSTEES

### MERCHANT BANK GHANA LIMITED

Merban House,  
44 Kwame Nkrumah Ave. , Accra  
P.O Box 401  
Accra

### VANGUARD ASSURANCE CO LTD

No. 21 Independence Avenue  
P. O Box 1868 Accra  
Tel: 666485/7, 782921/2  
Fax: 668610  
Email: [vanguard@ghana.com](mailto:vanguard@ghana.com)  
Website: [vanguardassurance.com](http://vanguardassurance.com)

## REGISTRARS

### GHANA COMMERCIAL BANK LTD.

Share Registry Office  
High Street, Accra

### MERCHANT BANK GHANA LIMITED

Merban House,  
44 Kwame Nkrumah Ave. , Accra  
P.O Box 401 Accra

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**NTHC SECURITIES LIMITED**

Martco House, Adabraka  
P. O Box KIA 9563  
Airport, Accra  
Tel: 238492-3/235814-5  
Fax: 229975/240243  
Email: nthc@ghana.com

**DEPOSITORY****GSE SECURITIES DEPOSITORY CO. LTD**

5th Floor Cedi House  
Tel: 669908/669914/669935  
Fax: 669913