



**ACQUISITION OF SECURITIES OF PUBLIC COMPANIES BY  
LICENSED DEALING MEMBERS/BROKER-DEALERS AND  
INVESTMENT ADVISERS.**

**CIRCULAR NUMBER: SEC/CIR/002/2002**

**PREAMBLE**

The Commission has, in the course of its surveillance activities, noticed an emerging trend whereby Licensed Dealing Members (LDMs) acquire the securities of public companies to the extent of gaining a controlling interest in such companies.

While the Commission acknowledges that under PNDCL 333 an LDM may deal as a principal, the absence of a prescribed limit to an acquisition by an LDM may give rise to market manipulations, which would not create the necessary atmosphere for the orderly growth and development of the capital market.

In view of the above, and pursuant to its functions under sections 9 (b) (d) (f) (g) and (i) of PNDCL 333, the Commission hereby directs all LDMs/Stockbrokers and Investment Advisers (hereinafter referred to as “Licensed Operators”) as follows:



## DIRECTIVES

- i) A Licensed Operator may acquire the securities of a public company provided such acquisition shall not in aggregate constitute a percentage that would trigger a takeover offer as provided under the GSE Rules or any other Code or Legislation, currently in force.
- ii) Where a Licensed Operator acquires 5% or more of the securities of a public company, such fact shall be disclosed to the Commission. Any additional acquisition of up to 2% or more shall also be disclosed to the Commission.
- iii) A Licensed Operator shall also disclose to the Commission, a disposal of securities of up to 2% or more after the initial acquisition of 5% or more of securities of a public company.
- iv) Upon the occurrence of any acquisition or disposal for which a disclosure has to be provided to the Commission as stipulated under (i) – (iii) above, the disclosure shall reach the Commission before the next trading session following the trading session at which the acquisition or disposal was made.



## **SANCTIONS**

The Commission shall sanction a Licensed Operator or officer of a Licensed Operator who violates the above directives.

## **EFFECTIVE DATE**

This circular takes effect from 1st June 2002

## **DISTRIBUTION**

- 1) LICENCED OPERATORS
- 2) ALL PUBLIC COMPANIES (LISTED AND UNLISTED)
- 3) GHANA STOCK EXCHANGE

**DATED : MAY 31, 2002**