



*“Ensuring Investor Protection”*

**SECURITIES AND EXCHANGE COMMISSION, GHANA**

## **DIRECTIVE TO MARKET OPERATORS ON INVESTMENTS IN FOREIGN SECURITIES FOR THE COLLECTIVE INVESTMENT SCHEMES**

**DIRECTIVE NUMBER: SEC/DIR/001/02/2026**

### **1.0 PREAMBLE**

The Securities and Exchange Commission (hereinafter referred to as the “SEC”) is mandated by the Securities Industry Act, 2016 (Act 929) as amended by the Securities Industry (Amendment) Act, 2021 (Act 1062), (hereinafter referred to as “the Act”) 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.

The SEC is further mandated to maintain surveillance over activities in securities to ensure orderly, fair, and equitable dealings in securities and to protect the integrity of the market in accordance with sections 2 and 3 of the Act.

### **2.0 BACKGROUND**

The SEC has observed a growing interest in and appetite for investing in foreign securities by Managers of Collective Investment Schemes and the potential effects this could have on the stability of the Ghanaian Cedi and the country's macroeconomic indicators at large.

The SEC is cautious of the risks originating from other jurisdictions that could affect the protection of investors in these schemes and is taking necessary actions to reduce the risk of exposure of Collective Investment Schemes to foreign securities to protect the investors of these Schemes.

### **3.0 THE DIRECTIVE**

The SEC hereby directs all Fund Managers, Custodians, Directors of Mutual Funds and Trustees of Unit Trusts to ensure the strict adherence to the spread and limitations of investment for the Collective Investment Schemes (CIS) pursuant, to section 82 of Act 929, Regulation 39 of the Unit Trusts and Mutual Funds Regulations, 2001(L.I 1695), part two of the SEC Investment Guidelines for Fund Managers, and Guidelines for Investment in Foreign Jurisdictions by Managers of Collective Investment Schemes. The following restrictions shall apply to Investments made in foreign securities:

- (a) A Fund Manager of Collective Investment Schemes licensed to invest locally shall not invest more than 20% of its funds under management in foreign securities.

- (b) A Fund Manager of Collective Investment Schemes licensed to invest 100% or to have substantial exposure to foreign securities is to limit their investment to 70% and retain 30% locally.
- (c) Investments in foreign securities shall be in accordance with the definition of securities under section 216 of the Act.
- (d) Foreign securities investments shall be allowed only in approved eligible markets as prescribed in Schedule 1, 7(2)(b) of LI 1695.
- (e) Investment in foreign securities shall be made to eligible foreign markets where the Regulator in that country is a full signatory to the International Organization of Securities Commissions (IOSCO) MoU, or the Regulator in that country has an information sharing or capacity building MoU with the SEC.

#### **4.0 AMENDMENT OF SCHEME PARTICULARS AND COMPLIANCE**

The Directors of Mutual Funds and Trustees of Unit Trusts shall take the necessary steps to comply with section 86 of the Act to regularize or amend the scheme particulars at Investors' Meeting or Annual General Meeting to conform with these requirements. Collective Investment Schemes that are not within the scope of this directive shall take steps to align within 90 days of the date of issuance of this directive.

#### **5.0 REVOCATION, VARIATION AND REVISION**

The SEC may revise, amend, vary, or revoke this Directive where necessary.

#### **6.0 INTERPRETATION**

Where any doubt arises about the meaning of any provision contained in this Directive, the same shall be referred to the SEC, and the interpretation provided by the SEC shall be final.

#### **7.0 SANCTIONS FOR NON-COMPLIANCE**

Where there is a breach of any provision stipulated in this Directive, the SEC may take any action(s) specified under section 209(4) as amended or any other provision applicable under the Act.

#### **8.0 COMMENCEMENT OF THIS DIRECTIVE**

This Directive is issued pursuant to sections 2, 3, and 209 of the Act as amended and shall take immediate effect and remain in force until otherwise revised, varied, amended, or revoked.

**ISSUED BY ORDER OF:**

**THE SECURITIES AND EXCHANGE COMMISSION**

**DATE: FEBRUARY 4, 2026**