

SECURITIES AND EXCHANGE COMMISSION, GHANA



‘Ensuring Investor Protection’

SECURITIES AND EXCHANGE COMMISSION

SECURITIES INDUSTRY (DEALING IN GOVERNMENT OF GHANA SECURITIES) GUIDELINES 2025

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ARRANGEMENT OF GUIDELINES

PART ONE: SCOPE

1. Scope of Application

PART TWO: LICENSING

2. Application for Licence
3. Representative licence
4. Minimum Capital Requirement

PART THREE: OBLIGATIONS OF DEALERS

5. Obligations of Dealers
6. Dealings with Clients
7. Safeguarding of records
8. Anti-Money Laundering
9. Rules and market practices of the Ghana Fixed Income Market
10. Unsecured Credit
11. Accounts to be kept by Dealers
12. Time Stamping
13. Trust Account
14. Provision of Information

PART FOUR: REVOCATION

15. Revocation of licence

PART FIVE: POWER OF THE COMMISSION

16. Revision of Guidelines
17. Exemption
18. Investigation and Inspections
19. Sanctions

PART SIX: INTERPRETATION

SECURITIES INDUSTRY (DEALING IN GOVERNMENT OF GHANA SECURITIES) GUIDELINES 2025

The Securities and Exchange Commission, Ghana, hereinafter referred to as the “SEC”, is mandated to regulate and promote the growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected.

PART ONE: PRELIMINARY

1. Scope of Application

- (1) These Guidelines are issued by the Commission pursuant to sections 3, 109, 114 and 209 of the Securities Industry Act, 2016 (Act 929) as amended by the Securities Industry (Amendment) Act, 2021 (Act 1062) with respect to the activities of persons that deal in Government of Ghana securities. Accordingly, these Guidelines shall apply to the following entities licensed under the Act:
 - a) Primary Dealers
 - b) Broker-Dealers
 - c) Primary Dealers (Others)
- (2) A person licensed by the SEC shall not deal in government securities in the primary market unless it is authorised by the Bank of Ghana.
- (3) Notwithstanding sub-clause 1(2), a Primary Dealer licensed by the SEC is eligible to deal in government securities in the Secondary Market.
- (4) For the avoidance of doubt, Primary Dealers (Others) shall pay the same fees and levies paid by Primary Dealers.

PART TWO: LICENSING

2. Application for Licence

- (1) A person shall not carry on a business of, or include as part of its business, dealing in government securities whether in the Primary or Secondary market or hold itself out as carrying on such a business unless it has been licensed by the Commission.
- (2) An application for a licence to deal in government securities shall be made to the Commission as specified in the Securities Industry (Licensing) Guidelines 2020.
- (3) The Commission may, as it considers necessary, require the applicant to:
 - a. provide additional information.
 - b. appear before it or through its authorized representative to respond to questions in connection with the licensing process.
- (4) The Commission shall consider an application and inform an applicant of its decision within ninety days (90 days) after an application has been lodged with it provided that where further information has been required in accordance with section 111 (2) of the Securities Industry Act, 2016 (Act 929), the period of ninety days shall begin when further information is submitted to the Commission.

- (5) A licence issued by the Commission under these Guidelines shall be renewed annually in accordance with Section 111 of the Securities Industry Act, 2016 (Act 929) as amended.
- (6) A person licensed under these Guidelines shall have a minimum of four representatives at all times in accordance with the Securities Industry (Licensing) Guidelines 2020.
- (7) A person licensed under these Guidelines shall notify the Commission within 14 days of the resignation of a licenced representative.

3. Representative licence

- 1) A person shall not act as a representative for a person licensed to deal in government securities unless that person is the holder of a Dealer's representative licence.
- 2) An application for licence as a representative of a person that deals in government securities shall be made to the Commission as specified in the Securities Industry (Licensing) Guidelines 2020.
- 3) The Commission shall not refuse to grant or renew a licence issued to the representative of a Dealer unless after consideration of the application it considers that the applicant will not perform the functions diligently, efficiently, honestly and fairly.
- 4) A licence issued by the Commission to a Representative of a person licenced to deal in government securities shall be renewed annually.

4. Minimum Capital Requirement

A person licensed under these Guidelines shall maintain at all times the unimpaired minimum paid up capital prescribed in the Securities Industry (Licensing) Guidelines 2020.

PART THREE: OBLIGATIONS OF DEALERS

5. Obligations of Dealers

- 1) A dealer shall:
 - a) publish bona fide competitive bid and offer quotations in all securities on their website daily; and
 - b) effect transactions at its quoted prices with other persons in respect of those securities in such amounts as stipulated in the Ghana Fixed Income Market Rules.
- 2) A dealer shall not engage in market abuse and market manipulation as provided for under the Securities Industry Act, 2016 (Act 929) as amended.

6. Dealings with Clients

- 1) A dealer shall establish procedures to obtain and maintain detailed KYC information on its clients.

A dealer shall send a contract note of transactions with its clients not later than the next business day in accordance with Clause 25(4) of the Conduct of Business (Guidelines) 2020.

7. Safeguarding of records

- 1) A dealer shall take reasonable precaution to ensure that books, accounts, documents or records required to be kept by it are sufficient to reconstruct all securities transactions including records of all funds and assets transferred into and out of bank and brokerage accounts relating to those transactions.
- 2) A dealer shall be required to keep copies of contract notes, vouchers and other documents relating to any securities transaction carried out on behalf of a client, for a minimum of seven years and archived thereafter.

8. Anti-Money Laundering

A dealer shall:

- a) Comply with the Anti-Money Laundering Act, 2020 (Act 1044) Anti-Terrorism Act, 2008 (Act 762) as amended by Anti-Terrorism (Amendment) Act, 2014 (Act 875) and Combating the Financing of Proliferation of Weapons of Mass Destruction and SEC/FIC's anti-money laundering/combating the financing of terrorism & the proliferation of weapons of mass destruction (AML/CFT&PF) rules and guidelines.
- b) Designate an officer appropriately as the AML/CFT/CPF Reporting Officer to, inter alia, supervise the monitoring and reporting of suspicious transactions and shall put in place a structure that ensures the operational independence of the AML Reporting Officer.
- c) Maintain a written policy framework that would guide and enable its staff to monitor, recognize and respond appropriately to suspicious transactions.
- d) Declare its commitment to comply promptly with all requests made pursuant to the laws and guidelines and provide information to the SEC, FIC and other relevant competent authorities.

9. Rules and market practices of the Ghana Fixed Income Market

- 1) Subject to Clause 9(2), a dealer shall comply with the Rules of Ghana Fixed Income Market, including any amendments, revisions, variations or modifications thereto.
- 2) Where any provision of these Guidelines conflicts with any provision set out in the GFIM Rules, these Guidelines shall prevail.

10. Unsecured Credit

- 1) A dealer other than a bank shall not give unsecured credit to a person where:
 - a) The unsecured credit is given for the purpose of enabling or assisting the person to whom the unsecured credit is given to purchase or subscribe for securities; or
 - b) The person giving the unsecured credit knows or has reason to believe that the unsecured credit will be used to purchase or subscribe for securities.
- 2) Clause 10 (1) does not apply to margin trading.

11. Accounts to be kept by Dealers

A dealer shall in relation to its business of dealing in GoG securities maintain and keep records in accordance with section 157 of Act 929.

12. Time Stamping

- 1) A dealer shall at the time of receipt of an order from a client, record it on an order form.
- 2) The order shall be dated and time-stamped upon receipt, execution or cancellation.

13. Trust Account

A dealer other than a bank shall in relation to its business of dealing in government securities establish and maintain a trust account in accordance with the relevant provisions of Act 929 and any other instruments issued under Section 209.

14. Provision of Information

A dealer shall furnish to the Commission such returns and information at such time and manner as the Commission may prescribe.

PART FOUR: REVOCATION OF LICENCE

15. Revocation, Suspension or Cancellation of licence

- 1) A person whose licence is revoked, suspended or cancelled shall cease to carry on the business with immediate effect.
- 2) A person whose licence is revoked, suspended or cancelled shall be subjected to the directives of the Commission with regard to any records, documents or securities that may be in its custody or control relating to its activities in the Primary or Secondary market from the date of the revocation, suspension or cancellation of licence.
- 3) Any person aggrieved by the suspension, revocation or non-renewal of a licence may appeal such decision in accordance with the Securities Industry Act, 2016 (Act 929) as Amended.

PART FIVE: POWER OF THE COMMISSION

16. Revision of Guidelines

The Commission may revoke, vary, revise or amend these guidelines from time to time.

17. Exemption

- (1) The Commission may in relation to a case or class of cases, for good cause, grant exemption or partial exemption or waiver from compliance with these guidelines and the GFIM rules subject to the conditions that it may impose.

- (2) Where any doubt arises about the meaning of any provision contained in these Guidelines and any other Guidelines issued by the Commission, the same shall be referred to the Commission and the interpretation provided by the Commission shall be final.

18. Investigation and Inspections

- 1) The Commission shall, in addition to any other factors it considers necessary conduct an investigation into or inspection of the operations of a person licensed to deal in Government of Ghana securities.
- 2) The Commission may give notice to the dealer before the commencement of an investigation or inspection.

Transitional period

Six months from the effective date of these Guidelines

19. Sanctions

- (1) Where a person breaches or fails to comply with a Code, Directive, Guideline or Circular issued by the SEC, the SEC may;
 - (a) take action set out in Section 118, 122 or 123 of the Securities Industry Act, 2016 (Act 929).
 - (b) impose an administrative penalty of not less than fifty penalty units and not more than twenty thousand penalty units: or
 - (c) apply clauses 19 (1) (a) and (b) where the SEC considers necessary.
- (2) The SEC may, in addition to the actions taken above, impose any administrative penalty that the SEC considers necessary or take any other remedial action that the SEC considers appropriate in the interests of protecting investors and the integrity of the securities market.
- (3) Sections 206 and 209 (4) to (12) of the Act 929 as amended shall also apply in addition to the above in dealing with offences.
- (4) A person ordered to pay an administrative penalty under these Guidelines shall pay the penalty to the SEC within seven days, or such further period as the SEC may specify by notice, after the order has taken effect

PART SIX: INTERPRETATION

In these Guidelines, unless the context otherwise requires:

"accounts" means Income Statement and Statement of Financial Position and includes notes (other than auditor's reports) attached to or intended to be read with those Income Statement and Statement of Financial Position.

“The Act” means the Securities Industry Act, 2016 (Act 929) as amended.

AML means Anti Money Laundering

CFT means combating the Financing of Terrorism

CPF means combating the proliferation financing

"auditor" means an approved company auditor within the meaning of Act 929 and registered under the SEC Guidelines on Auditors.

"bank" means a bank licensed under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

"book” includes documents in any form including information stored in an electronic form.

"broker-dealer" means as defined in Act 929

"client" means any person from whom, or on whose behalf, a dealer has received or acquired or holds monies, securities or property for the account of such person in relation to transactions in GoG securities.

"company" has the same meaning as is assigned to that expression in the Companies Act.

"GFIM" means Ghana Fixed Income Market.

"dealing in securities" means (whether as principal or agent) making or offering to make with any person, or inducing or attempting to induce any person to enter into or to offer to enter into:- (a) an agreement for or with a view to acquiring, disposing of, subscribing for, or underwriting securities; or (b) an agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the price of securities;

"dealer" means a government securities dealer and, unless the context otherwise requires, includes a dealer in the Primary or Secondary market;

“FIC” means Financial Intelligence Centre

"government securities" means as defined in Act 929.

"government securities dealer" means a bank or other financial institution whose business includes dealing in Government securities and which is approved by the Commission to carry on the business as a Primary dealer, Secondary dealer or Bond Market Specialist.

"primary dealer" means as defined in Act 929

“SEC” means the Securities and Exchange Commission

" primary dealer (others)" means a body corporate other than a primary dealer or broker-dealer which deals in government securities in the secondary market

and "securities" means Government securities.