



'Ensuring Investor Protection'

THE SECURITIES AND EXCHANGE COMMISSION

GUIDELINES ON MARKET LEVIES FOR 2017

SEC/GUI/001/01/2017

1.0. Preamble

These Guidelines are issued by the Securities and Exchange Commission (hereinafter referred to as "the Commission") pursuant to section 15 of the Securities Industry Act, 2016 (Act 929) for the payment of market levies.

2.0. Applicability

These guidelines shall be applicable to Fund Managers and other Market Operators for the financial year 2017.

3.0. Market Operators' Levy

Market Operators	Levy (GHS)
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GSE	20,000
Primary Dealers	15,000
Custodians	15,000
Trustees	10,000
Fund Managers	5,000

Broker Dealers	3,000
Investment Advisors	3,000
Registrars	3,000

3.1 Mode of payment

The Market Operator shall pay the required levy by the end of the first quarter of the year either in full or in a maximum of three installments.

4.0 Transaction levy

(1) The transaction levy shall be paid by the purchaser and seller of securities.

(2) The transaction levy shall be charged on the purchase and sale as follows:

(a) For shares, 0.15% of the total transaction value;

(b) For Bonds, the regulators' commission of 0.01% of the nominal value of the trade shall be apportioned as follows:

- (i) Ghana Fixed Income Market, 50/100 of the 0.01%;
- (ii) Central Securities Depository Ltd., 30/100 of the 0.01%; and
- (iii) Securities and Exchange Commission, 20/100 of the 0.01%.

4.1 Mode of payment

The transaction levy shall be paid within seven (7) days after the end of the month in which the transaction was effected.

5.0 Depository levy.

Securities in the depository shall attract a levy of 0.003% of the face value of the securities payable to the Commission.

5.1 Mode of payment

The depository shall pay the required levy within seven (7) days after the end of the month in which the transaction was effected.

6.0 Funds Under Management

This guideline is issued to assist Fund Managers on the computation and payment of the market levies on Funds under Management (FUM).

6.1 Procedure

- i. Market Levies are based on the Net Asset Value (NAV) of funds under the management of a Fund Manager.
- ii. Collective Investment Schemes, Pension Funds and Funds invested in listed securities shall not be subjected to the levy.
- iii. All other funds under the management of a Fund Manager other than those mentioned in (ii) above, shall be subject to the market levy determined by the Commission.
- iv. The levy applicable for the financial year 2017 shall be 0.09% on the Net Asset Value.

6.2 Formula

- i. For the 2017 financial year, the amount on which the levy shall be based shall be the Net Asset Value of funds under management less funds invested in Pension Funds, Collective Investment Schemes and listed equities.
- ii. SEC Market Levy = 0.09 % per annum *(NAV of FUM) minus CIS Funds minus PFs minus FILE

6.3 Time and method of payment

- i. The Market Levy is payable at the end of every quarter.
- ii. The Fund Manager shall calculate the market levy at the end of every quarter as prescribed in appendix 1 of this Guideline.
- iii. The cheque for the payment of the market levy should be submitted to the Commission together with the funds under management report for the quarter not later than 21 days after the end of the quarter.

6.4 Method of collecting levies from clients

The Fund Manager shall ensure that clients have enough funds in the trust account to meet the levy. This may be done through:

- i. Requiring the client to make payment upfront for the levy.
- ii. Keeping part of interest earned on investments in cash for the levy.
- iii. The Fund Manager may opt to pay on behalf of the client and arrange for reimbursement.

7.0 Payment of interest on levies overdue

Late payment of levies shall attract interest at the 182 day Treasury bill rate per annum prevailing at the beginning of the quarter that the late payment relates. The interest shall be calculated daily from the time the levy becomes payable until when it is fully paid.

Any interest accruing on any overdue levy on funds under management shall be borne fully by the Fund Manager. Under no circumstance shall such interest be charged to the funds under management.

In all other cases, payment of interest shall be borne by the Market Operator.

8.0 Sanctions for non-payment

i. The Commission shall exercise its powers exercise under section 209 (4) Securities Industry Act, 2016 (Act 929).

9.0 Definitions

- i. FILE means funds other than Pension Funds and Collective Investment Schemes invested in listed equities.
- ii. Market Levy is levy imposed on Market Operators pursuant to section 15 of the Securities Industry Act, 2016 (Act 929) to meet the expenses of the Commission.
- iii. Market Operator means a person duly licensed by the Commission to perform specific functions in the securities market.

Appendix 1

		COMPUTATION OF MARKET LEVY AS AT (End of quarter)		
		Name of Investment Advisor:		
			Value in Current Quarter	Value in Previous Quarter
			GHC	GHC
A		Net Asset Value of Total Funds Under Management	XXX	XXX
		Less		
B		Pension Funds	(xxx)	(xxx)
C		Funds Invested in Collective Investment Schemes	(XX)	(XX)
D		Funds invested in Listed equities (FILE)	(XX)	(XX)
E	(A-B-C-D)	Funds subject to the Levy	XXX	XXX
F	E *.09%	Market Levy @ .09% per annum	XX	XX
G	F*.25	Market Levy for the quarter	XX	XX