



## **Ghana: African Development Bank Group Supports Risk-based Supervision for Capital Markets.**

**3<sup>rd</sup> June 2021** – The African Development Bank Group and the Securities and Exchange Commission (SEC) of Ghana today launched a \$400,000 project to strengthen the development of Ghanaian capital markets. This follows the signing of a grant agreement to develop a risk-based supervisory solution for the local capital market.

The grant, from the African Development Bank’s [Capital Markets Development Trust Fund](#), will finance the provision of technical assistance and capacity building for the SEC, the markets regulator, and the Ghana Stock Exchange.

The project will enhance the SEC’s institutional capacity and readiness to transition from a compliance-based to a risk-based supervision approach for the securities market. It will also enable the development and streamlining of policy and regulatory frameworks for pooled funds, and support the broadening of market instruments through the introduction of products such as asset-backed securities.

At the launch event, Rev. Daniel Ogbarmey Tetteh, Director-General of the SEC, commended the African Development Bank for supporting the development of a risk-based solution, which is expected to bolster the Commission’s capacity to fulfill its mandate.

The objectives of the project align with the priorities of the Bank’s Country Strategy for Ghana, which envisages measures to stimulate capital market development and unlock financial resources that will advance Ghana’s industrialization, the private sector and infrastructure development.

“The collaboration with the Securities and Exchange Commission to promote an enabling regulatory and supervisory environment with diversified financial market products and instruments is timely. This support demonstrates the Bank’s desire for a deepened and broadened financial system – a driver of investment and economic growth in Ghana,” said Ahmed Attout, Manager of the Bank’s Capital Markets Development Division.

The project will benefit capital market participants in Ghana, including securities issuers and investors. It will also help broaden available products and structures for savings and investment.

Mr. Ekow Afedzie, Managing Director of the Ghana Stock Exchange, expressed his appreciation to the Bank and noted that this project has come at an opportune time when the stock market is introducing new products to deepen the market and improve liquidity. “Thus, the introduction of the new products will boost investor confidence and achieve the ultimate goal of making the Ghana Stock Exchange a preferred investment destination in the sub-region,” Mr Afedzie said.

The Securities and Exchange Commission will cooperate closely with the Ghana Stock Exchange and other market stakeholders to implement the project.

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**About SEC:**

The Securities and Exchange Commission (SEC) Ghana is the apex regulatory body of the Securities Industry in Ghana set up by the Securities Industry Act, 2016 (Act 929) 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.

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**About AfDB:**

The African Development Bank Group (AfDB) is Africa's premier development finance institution. It comprises three distinct entities: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). On the ground in 41 African countries with an external office in Japan, the AfDB contributes to the economic development and the social progress of its 54 regional member states.

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