



## SEC Seeks Partnership To Put Up Office Complex



An Artist's Impression of the proposed SEC Office Complex

The SEC in an effort to put up an office complex to cater for the increasing need of office space for staff at the SEC has initiated steps at entering into a Public Private Partnership to help finance the office complex. The SEC for the first 10 years of its existence operated from a rented premise in the ministries area in Accra. In 2008, a tempo-

rary office building was constructed at Cantonments, Accra to address the office constraints of the SEC. Over the past few years, increase in activities within the industry and staff numbers has necessitated the putting up of a bigger office complex to cater for SEC needs.

# SEC Participates In Stakeholders' Workshop On Draft Legal Framework For Proposed GCX And WHRS

The SEC has participated in a stakeholders' workshop to discuss the proposed draft legal framework for the Ghana Commodities Exchange (GCX) and Ware House Receipt Systems (WHRS). The workshop was organized by consultants working on the draft legislations. The documents

discussed included the proposed GCX Act and Regulations and the WHRS Act and Regulations. Under the proposed Acts, the SEC will have the mandate to regulate both the GCX and WHRS but with the option of delegating the latter function to another entity.

## Organizational Restructuring At The SEC

The Commission has a new organizational structure which was operationalised in March 2012. The new structure and departments created is to help the SEC build up business expertise. Below are details of the new departments and heads.

DEPARTMENT	HEAD
Issuers	Mr. Jacob Aidoo
Legal and Enforcement	Mrs. Juliana Amoono-Neizer
Policy, Research and IT	Mr. Robert Dowuona Owoo
Fund Management	Ms. Leonie Atayi
Broker - Dealers and Advisers	Mr. Emmanuel Ashong-Katai
Exchanges and Markets	Ms. Evelyn Essien
Finance and Capital	Mr. Fred Sappor
Audit and Risk Management	Mr. Emmanuel Mensah-Appiah
Human Resource and International Relations	Mrs. Gladys Ayeetey

## On-site Inspections

During the quarter, the SEC conducted on-site inspection on 6 licensees. The objective was to review and ascertain their compliance with the Securities Industry Laws, Regulations and SEC Codes and Guidelines. The licensees were:

- o 2 Broker/Dealer Companies,
- o 4 Investment Advisors,
- o 1 Mutual Fund

The limited number of inspections done was due to a restructuring programme undertaken in February, hence inspections were put on-hold.

Post-offer Inspections were also undertaken on three public offers which occurred in the second half of 2011. They include Tullow Oil Plc IPO, Guinness Ghana Breweries Limited rights Issue and Accra Hearts of Oak Sporting Club IPO.

## Approvals

During the period, the following companies were given approvals to operate as follows:

Company	License Category
HFC Bank Limited	Custodian
United Bank of Africa (UBA)	Custodian
Inter-Afrique Capital Limited	Investment Advisor

# SEC Holds 2nd Compliance Officers' And Capital Market Fora

The SEC has held its second Compliance Officers' and Capital Market Fora in Accra. The fora which was initially planned to take place on a quarterly basis, with the 1st event taking place in September 2011, was re organized to take place on a half yearly basis.

The Compliance Officers' Forum saw Compliance Officers and Management of the SEC discussing key compliance concerns and sharing ideas on how best to enhance compliance with the rules of the Securities Industry.

The Capital Market Forum which was attended by senior members of licensed operators discussed issues of benefits to both parties for the development of the capital market in Ghana. Issues discussed included the introduction of levies for capital market operators upon the passage of the draft Securities industry Act, the decision of the SEC to name and shame offenders of the Securities Industry Laws and the need for market operators to act as advocates to get more listing on the stock exchange.

## Enforcement Actions

During the period, the following market operators were sanctioned, in accordance with the Law, by the SEC for various violations of the Securities Laws.

FIRM	INFRINGMENT
First Atlantic Asset Management Ltd	Failure to submit monthly returns at stipulated time
Fidelity Capital Partners	Failure to submit monthly returns at stipulated time
Constant Capital Ghana Ltd	Failure to submit monthly returns at stipulated time
New World Renaissance Securities Ltd	Failure to submit monthly returns at stipulated time
Databank Brokerage Ltd	Failure to submit monthly returns at stipulated time
First Atlantic Brokers Ltd	Failure to submit monthly returns at stipulated time
Grofin Ghana Ltd	Failure to submit monthly returns at stipulated time

# SEC Holds Three Day Retreat For Staff

As part of its implementation of the 5 years strategic plan of the SEC, Management with the support of the Financial Sector Division (FSD) of the Ministry of Finance and Economic Planning organized a three day staff retreat in Koforidua to introduce and discuss with staff the content of the strategic plan. The essence of the meeting was primarily to enable staff appreciate the strategic plan and embrace it as the future work plan of the Commission.

Together, the management and staff have agreed on activities that have to be undertaken to ensure that the objectives of the strategic plan are achieved.

## Stakeholders' Workshop On GAX

The SEC participated in a stakeholders' workshop on the yet to be launched Ghana Alternative Exchange (GAX). The one day workshop, organized by the Ghana Stock Exchange (GSE) was to solicit the views of stakeholders on the proposed rules for the GAX. In his remarks, the Director General of the SEC proposed that to prevent any SME from failing in its Initial Public Offering (IPO), a broker - dealer sponsoring an SME for listing on the GAX should underwrite the share offer.

# Bank of Ghana and National Insurance Commission launch AML/CFT Manuals

The Bank of Ghana (BOG) on 4th January, 2012 launched its manual on Anti-Money Laundering and the Combating of the Financing of Terrorism (AML/CFT) for Banks and Non-Bank Financial Institutions, while the National Insurance Commission (NIC) launched its manual for the insurance industry on 9th February, 2012.

In his speech at the launch of the BOG manual, the Governor of the BOG, Mr. K. B. Amissah-Arthur stated that the event follows on the launch of AML/CFT guidelines for capital market operators by the Securities and Exchange Commission on 20th December 2011, and noted that the BOG looked forward to being followed by the NIC for the insurance sector. This he stated will complete the cycle of providing a rigorous framework for minimizing, if not eliminating altogether, the misuse of the financial system for illegal activities.

At the launch of the NIC manual, Mrs. Nyamikeh Kyiamah, Commissioner of the NIC, in a speech, advised insurers and insurance intermediaries to diligently implement the provisions of the guidelines to mini-

mize the risks faced by licensed insurance entities and guard against fraud as well as financial risks.

Mr. Adu Anane Antwi, Director General of SEC, noted in a remark at the launch of the NIC manual that it was important for all relevant stakeholders to create the necessary networks to ensure that no loopholes existed for criminals to undertake their activities in Ghana. He called for the intensification of public education to bring on board all stakeholders including the media and civil society.

The AML/CFT manuals for the regulatory bodies were prepared with the assistance of the Financial Intelligence Centre (FIC). The Chief Executive Officer of FIC, Mr. S.T. Essel recounted at both launches the efforts made by the FIC to ensure the combating of money laundering and financing of terrorism and called on government to enact all the necessary AML/CFT legislations for Ghana to comply with standards set by the Financial Action Task Force (FATF) which has put the country on a watch list.

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## Staff of SEC attend Ghana Finance and Investment Conference

The Executive Commissioners and Heads of Department of the SEC attended the Ghana Finance & Investment Conference organised by Euromoney Conferences of UK in Accra from 7th -8th March, 2012.

The Director-General of SEC took part in a panel discussion on the topic "Financing Ghana's Future – Capital Markets".

## BOG Governor and SEC Director General Attend Financial Stability Board Regional Meeting

The Governor of the BOG, Mr. K. B. Amissah-Arthur and the Director General of the SEC, Mr. Adu Anane Antwi attended the 1st Meeting of the Financial Stability Board Regional Consultative Group for Sub-Saharan Africa on 3rd February 2012 in South Africa. The meeting brought together heads of institutions and agencies with an interest in financial stability (ie central banks, supervisory authorities, securities commissions and ministries of finance) from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.

The DG presented a paper on "Improving Disclosure and Governance in the Financial Sector". In his presentation, Mr. Antwi addressed issues and challenges relating to disclosure and governance in the financial sector placing the discussions within an African context.

The Governor and the Director General represent Ghana on the Consultative Group.



# SEC attends Law Week Celebrations of the Ghana School of Law

The Director General of the SEC, Mr. Adu Anane Antwi was invited to give a speech on the Securities and Exchange Commission at the Law Week celebrations of the Ghana School of Law. In his speech Mr. Antwi discussed among other things the role of the SEC both locally and on the international front, the role of a Lawyer at the SEC and employment opportunities for Lawyers at the SEC.

Mr. Antwi urged the school authorities to consider having courses on the securities market incorporated into the curricula of the School to enable students learn about the securities laws and rules governing the capital market in Ghana before they enroll as Lawyers.

He also encouraged the students to attend the securities courses run by the Ghana Stock Exchange to acquire more knowledge about the securities market.

## Study visit by Senior Officials of the Tanzanian Financial Sector

The SEC Ghana played host to senior officials from the Capital Markets and Securities Authority (CMSA), Dar es Salaam Stock Exchange, Bank of Tanzania and Ministry of Finance of Tanzania. The study visit at the request of the CMSA was to afford the delegation the opportunity to interact with the SEC, GSE and market operators on issues of development, demutualization of stock exchanges and supervision. The visit was also aimed at exposing delegates to key policies and operational factors that has led Ghana to the successful development and implementation of a capital market development strategy. During the 5 day visit, the delegation met with 2 Brokerage and Investment Advisory Companies, the Ghana Stock Exchange and the Securities and Exchange Commission.

## Presentation To Students Of Banking College By SEC Staff

Staff of the Issuers Department and Legal and Enforcement Department played host to students of the Banking College in Accra. The students visited the SEC offices to learn more about Mergers and Takeovers and the role of the SEC as part of their course of study. The students were taken through the mechanisms of mergers and takeovers in general and salient elements of the SEC's Code on Takeovers and Mergers in Ghana.

# SEC Participates in 28th AMERC Meeting

The SEC participated in the 28th Africa Middle East Regional Committee (AMERC) Meeting and Conference of IOSCO held in Mombasa, Kenya from 22-24 February 2012. The meeting was under the theme 'Regional Cooperation for Capital Markets Stability'. The SEC was represented by the Deputy Director General (Finance) and the Head of Policy, Research and IT.

The first day of the meeting was limited to Capital Market Regulators who discussed issues of mutual interest to the jurisdictions within the Africa and Middle East Region. The second day was devoted to the Conference which was under the theme 'Regional Cooperation for Capital Markets Stability: Harmonization of Regulatory and Policy Framework'.

The Director General of the SEC was invited to the conference by the Capital Market Authority of Kenya to serve as a panelist on the session on Product Development and Innovation.

On the invitation of IOSCO, the Director General also served as an instructor for the IOSCO Training Session under the theme 'Approaches to Investor Education' and presented a paper on "Investor Education: the Case of Ghana"

## Training and Capacity Building

- i. Two staff of the Human Resource and International Relations Department attended a course in Office Administration and Computer Skills for Executive Secretaries and Personal Assistants at the International Centre for Capacity Development (ICCD) in Dubai. The course was aimed at providing administrative skills to enhance work flow in the organization and to expose staff to the dynamics in office management.
- ii. Two staff of the SEC attended a 2 week training course on Commodities Exchanges and Warehouse Receipt Systems in Accra. The course was organized by the Ministry of Trade and Industry as part of preparatory steps towards the establishment of a Commodities Exchange and Warehouse Receipt System in Ghana. The Course was facilitated by instructors from the Ethiopian Commodities Exchange (ECX) Knowledge Institute. Other participants at the training program were drawn from key stakeholders in the Commodity Exchange Chain such as banks, insurance companies, farmer groups, transport owners, Agricultural officers, exporters etc.
- iii. The Director-General, the Head of Audit and Risk Management and the Manager, Audit and Risk Management of SEC attended a seminar on CTF Compliance and Customer Screening organised by Down-Don Hill of UK in Collaboration with the West African Bankers' Association in Accra from 12th -14th March 2012.

# 3rd Graphic Business Forum



The Director-General giving his address



Dignitaries at the high table, including the Vice-President (4th from left)

The 3rd Graphic Business Forum was held in Accra under the theme “Leveraging ICT and Oil and Gas Resources to Accelerate Ghana’s Economic Growth”. The Forum was chaired by the Director General of the SEC, Mr. Adu Anane Antwi who serves on the board of Graphic. The forum which was organized by the Graphic Communications Group was attended by captains of industry, academicians and policy makers.

The forum was to promote policy discourse on key national issues relevant to the development of the country. In his speech, Mr. Antwi stressed on the need for Ghana to have a law or policy that will compel foreign companies to float part of their shares on the Ghana Stock Exchange to allow for local participation in their operations.

This view was endorsed by the Guest speaker, His Excellency, the Vice President of the Republic of Ghana, Mr. John Dramani Mahama. He urged telecommunication companies in Ghana to lead the way by floating shares on the Ghana Stock Exchange. Other speakers at forum were Mr. Kwame Pianim, the Chairman of UBA and Director of New World Renaissance, and Ms Dorothy Gordon, the Director General of the Kofi Annan ICT Centre.

## State Housing Company to float Housing Bonds

The State Housing Company (SHC) has indicated its intentions to use the capital market to raise funds. At an investment seminar organized by the SHC in Accra, the Managing Director, Dr. Mark Nii Ankrah indicated that the SHC intends to float housing bonds as part of a series of investment mechanisms in the company’s bid to raise more funds to support housing construction and delivery in Ghana. The Director General of the SEC, Mr. Adu Anane Antwi, who was at the seminar, was optimistic that the floatation would be welcome by investors. He commended the company for turning its attention to the capital market to raise funds and encourage other companies to do so. The lead advisor for the floatation is the SIC Financial Services Limited.

## Market Operators Advised to join the GSIA

The SEC has advised all market operators to join the Ghana Securities Industry Association (GSIA), and actively participate in its activities. As a means of ensuring that all market operators become members of the GSIA, the SEC will with effect from July 2012, require all applications for license renewals to be accompanied by letters from the GSIA indicating that the applicant is a member in good standing. This proposal was discussed with market operators at the recently held Capital Market Forum. It is to encourage all market operators to participate fully in the activities of the GSIA so as to help champion the concerns of operators and contribute to policy making to boost market development.

The SEC aims at ensuring that GSIA becomes a vibrant market association as pertains in the banking and insurance industries, where the Ghana Association of Bankers and the Ghana Insurers Association are key stakeholders in their respective industries.

# Knowledge Bank

## How to invest in a Unit Trust

- A. Approach any Unit Trust manager and buy units at the prevailing selling price. Since Unit Trusts in Ghana are only open-end funds, you can buy the units at anytime.
- B. You can also at any time sell back your units to the manager at the manager's prevailing buying price.

## How to invest in a Mutual Fund

- A. Approach any manager of a Mutual Fund and buy units at the prevailing selling price. If the Mutual Fund is an open-end fund, you can buy the shares of the company at anytime.
- B. If the fund is an open-end fund, you can also at any time sell back your shares to the manager at the manager's prevailing buying price.

C.

If the Mutual Fund is a close-end fund, you can buy shares of the company on any trading day through a licensed stockbroker if the shares are listed on a stock exchange.

D.

You can also sell your shares on any trading day through a licensed stockbroker

## "Early Bird" for the Quarter

Mr. Maxwell Gidi of Issuers Department has being adjudged the most punctual staff in attendance for the peroid January - March 2012. SEC News Congratulates him for being the "Early Bird" for the quarter.



# Capital Market Operators

Category of Licensed Operators	Number (end Dec. 2011)	Number (end March. 2012)	Change
Broker Dealers only	10	10	-
Investment Advisors (Advisory only)	7	7	-
Investment Advisors (Advisory and Fund Mgt.)	51	52	1
Broker Dealers and Investment Advisors	11	11	-
Trustees	3	3	-
Custodians	14	16	2
Registrars	4	4	-
Securities Depositories	2	2	-
Stock Exchange	1	1	-
Mutual Funds	14	14	-
Unit Trusts	12	12	-
Issuing House	1	1	-

## Stock Market Statistics

	End Dec. 2011	End March. 2012	% Change
Number of Listed Companies	34	34 (1 suspended)	
Volume of Trades *	103,546,690	37,191,344	-64.10
Value of Trades (GH¢) *	249,241,788	18,294,358	-92.70
Market Capitalization (GH¢Million)	47,347.23	50,688.37	7.00
GSE-Composite Index	969.03	1,046.88	8.00
GSE-Financial Stock Index	863.80	910.57	5.40

\* Total for the quarter.



# Performance of Equities on the Ghana Stock Exchange

Name of Company	Closing Price (GhC) (30th Dec. 2011)	Closing Price(GhC) (30th March. 2011)	Gain / (Loss)
1. African Champion Indurtries Ltd.	0.08	0.08	-
2.AngloGold Ashanti Ltd.	34.00	34.00	-
3.Aluworks Limited.	0.13	0.05	(0.08)
4.Ayrton Drug Manufacturing Ltd.	0.17	0.18	0.01
5. Benso Oil Palm Plantation Ltd.	1.10	1.69	0.59
6.Cal Bank Ltd.	0.28	0.25	(0.03)
7.Clydestone (Ghana) Ltd.	0.04	N/A	Suspended
8.Camelot Ghana Ltd.	0.12	0.12	-
9.Cocoa Processing Co. Ltd.	0.02	0.02	-
10.Ecobank Ghana Ltd.	3.19	3.13	(0.06)
11. Enterprise Group Ltd.	0.38	0.38	-
12. Ecobank Transnational Inc.	0.10	0.12	0.02
13.Fan Milk Ltd.	2.37	2.23	(0.14)
14.Ghana Commercial Bank Ltd.	1.85	1.85	-
15.Guiness Ghana Breweries Ltd.	1.53	1.67	0.14
16.Ghana Oil Company Limited.	0.32	0.34	0.02
17.Golden Star Resources Ltd.	2.75	2.75	-
18.Golden Web Ltd.	0.04	0.04	-
19.HFC Bank (Ghana) Ltd.	0.45	0.45	-
20.Mechanical Llyod.Co. Ltd.	0.11	0.11	-
21.Poineer Kitchenware Ltd.	0.06	N/A	Suspended
22. Procuce Buying Company Ltd.	0.25	0.24	(0.01)
23. PZ Cussion Ghana Ltd.	0.24	0.24	-
24. Standard Chartered Bank Gh. Ltd.	45.48	52.21	6.73
25. SIC Insurance Company Ltd.	0.40	0.38	(0.02)
26. Starwin Products Ltd.	0.03	0.04	0.01
27.SG-SSB Limited.	0.47	0.44	(0.03)
28. Sam Woode Ltd.	0.02	0.02	-
29. Trust Bank Ltd. (The Gambia)	0.40	0.40	-
30. Total Petroleum Ghana Ltd.	19.83	26.50	6.67
31. Transactional Solutions (Ghana) Ltd	0.05	N/A	Suspended
32. Tullow Oil Plc.	31.00	34.05	3.05
33. Unilever Ghana Ltd.	6.64	8.15	1.51
34. UT Bank Ltd.	0.32	0.31	(0.01)

## Securities and Exchange Commission

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