

ENSURING INVESTOR PROTECTION

SEC NEWS

OFFICIAL NEWSLETTER OF SECURITIES & EXCHANGE COMMISSION

3RD QUARTER (JUL. - SEPT.) 2020



SEC LAUNCHES "TIME WITH THE COMMISSION"



Public Interest Warning to the General Public on Electronic Commerce and Trading Scheme



IOSCO'S Measures to Reduce Conflict of Interest in Debt Capital Raising



3rd Quarter Market Summary Analyses & Highlights



Key Market Statistics



Infractions, Penalties and Complaints Received in the Third Quarter of 2020



"Learn every day, but especially from the experiences of others. It's cheaper!."

John C. Bogle

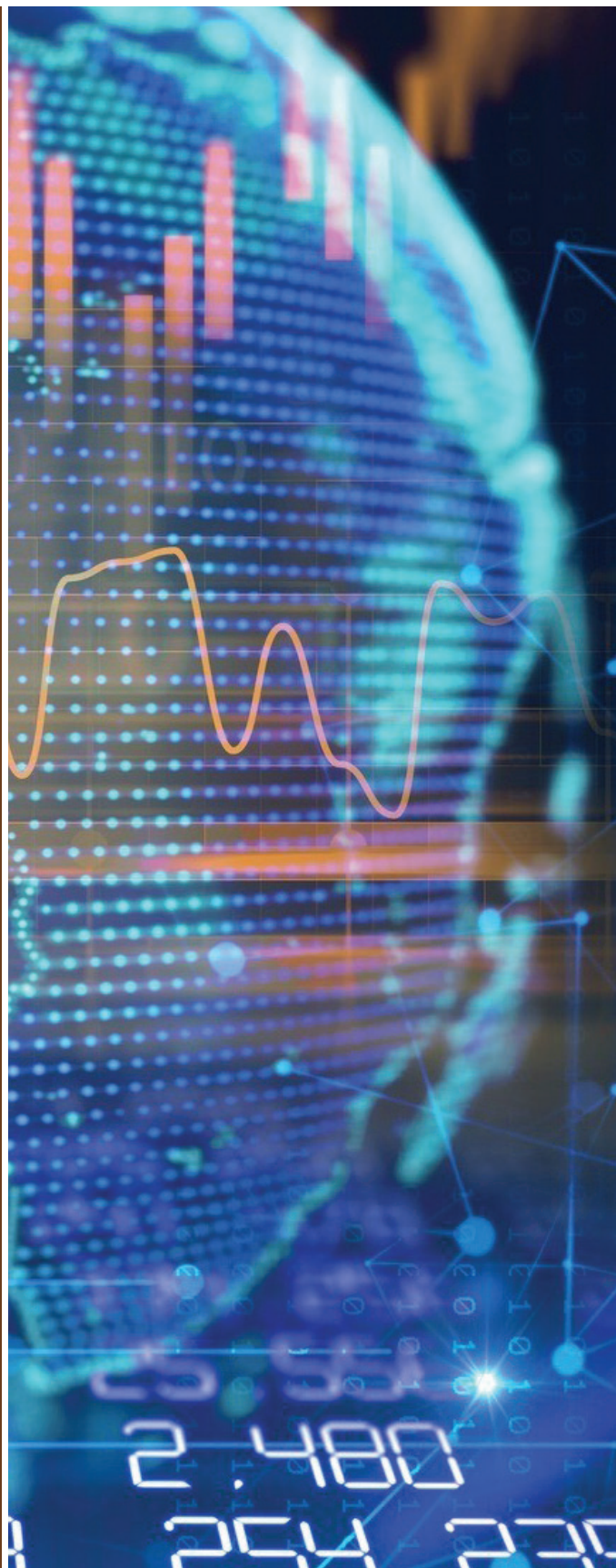




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At the end of the third quarter (Q3) 2020, the Ghana Stock Exchange Composite index (GSE-CI), closed at 1,856.56 points from 1,899.90 points recorded at the end of second quarter (Q2) 2020. This represents a -17.75% year-to-date (YTD) change compared to -15.83% YTD as at the end of June 2020.

EDITORIAL TEAM

- | | |
|-----------------------------|-----------------------------|
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| 2. Mr Emmanuel Ashong-Katai | 6. Ms Dorothy Yeboah-Asimah |
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| 4. Mr Frank Biney Donkor | 8. Mr Andy Anim |

Disclaimer: The views expressed in this Newsletter are the author's own and do not necessarily represent the views of the Securities and Exchange Commission, its members or staff.

DESIGNED & PRINTED BY:



NOTICE TO THE PUBLIC

1. PUBLIC ADVICE

Members of the general public are advised to use the Commission's Toll-Free Line 0800100065 or Main Line 0302768970-2 to contact the Commission on any issue they may have relating to the securities market and investments, including:

- Seeking general information about the securities market and products.
- Seeking information about licensed capital market operators.
- Reporting persons suspected to be operating in the securities market without a license.
- Reporting fraudulent investment schemes (e.g. Ponzi schemes).
- Reporting fraudulent activities of capital market operators.
- Making complaints against capital market operators.

2. PUBLIC NOTICE

A) PUBLIC INTEREST WARNING TO THE GENERAL PUBLIC ON ELECTRONIC COMMERCE AND TRADING SCHEME: NOTICE NUMBER: SEC/PN/001/01/2021

The Securities and Exchange Commission today issued new capital requirements for market operators in the The Securities and Exchange Commission (hereinafter referred to as "SEC") is the statutory body mandated by the Securities Industry Act 2016 (Act 929) 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.

One of the core functions of the SEC is to maintain surveillance over activities in the securities industry and to protect investors by publishing at regular intervals information to the public to inform their investment decisions.

The General Public is hereby put on notice that CHY CENTURY HENG YUE GROUP LIMITED/SAIRUI E-COMMERCE GHANA LIMITED have not been licensed by the Securities and Exchange Commission (SEC) to carry out any Capital Market activity including investing or trading for returns as mandated by Section 3 of the Securities Industry Act, 2016 (Act 929).

CHY CENTURY HENG YUE GROUP LIMITED/SAIRUI E-COMMERCE GHANA LIMITED are therefore not regulated by the SEC. The General Public is advised to be cautious with investing in unlicensed products. The General and investing Public is further advised to consult the SEC through its toll-free line number 0800100065 or main line number 0302768970-2 to confirm the licensing status of any firm offering products or services relating to investments in the Capital Market.

The SEC wishes to reassure all Market Operators, Investors and the General Public that it is dedicated to ensuring rigorous implementation of all the rules for operators in the Capital Market in order 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.

This Public Interest Warning is issued pursuant to Sections 3 and 208(c) of the Securities Industry Act, 2016 (Act 929).

ISSUED BY ORDER OF
THE SECURITIES & EXCHANGE COMMISSION (SEC)
DATED: January 8, 2021



**B) DIRECTIVE ON ADOPTION AND IMPLEMENTATION OF MINIMUM STANDARDIZED
KNOW YOUR CLIENT FORMS FOR ALL CAPITAL MARKET OPERATORS.
NOTICE NUMBER: SEC/DIR/001/01/2021**

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

Pursuant to Sections 3, 138 and 209 of the Securities Industry Act, 2016, Act 929, Regulations 7 to 26 of the Anti-Money Laundering Regulations, 2011 (L.I 1987), Part A 1.6, 1.7, 1.13, 1.19 and Part B of SEC/FIC AML/CFT Guidelines, 2019, the SEC hereby directs all Market Capital Operators as follows, that:

- (a) With effect from 1st January 2021, all Capital Market Operators shall implement the Minimum Standardized KYC Forms with their new clients;
- (b) Capital Market Operators shall ensure that all existing clients records are updated to reflect the Minimum Standardized KYC Forms by 31st December, 2021;
- (c) Capital Market Operators shall consequently use the KYC Forms as guide to design KYC policies and procedures for their institutions by the end of June 2021 to incorporate the following items:
 - a. Customer Acceptancy.
 - b. Customer Identification Procedures.
 - c. Monitoring of Customer Transactions.
 - d. Risk Management.

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) of the Securities Industry Act 2016 (929), and/or any other relevant law or any provision applicable under the Securities Industry Act 2016 (Act 929).

Revocation, Amendment, Variation or Revision

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

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.

Commencement of this Directive

This Directive shall take effect on 1st January 2021 and shall remain in force until otherwise revised, varied, amended, or revoked.

BY ORDER OF
THE SECURITIES & EXCHANGE COMMISSION (SEC)
Email: info@sec.gov.gh
Tel: 0302-768970-2
Toll- Free: 0800100065
DATED: January 1, 2021



C) DIRECTIVE TO FUND MANAGERS ON INTERCONNECTEDNESS REPORTING
NOTICE NO. SEC/DIR/005/11/20

The Securities and Exchange Commission (hereinafter referred to as “SEC”) is the statutory body mandated by the Securities Industry Act 2016 (Act 929) 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.

As part of the Government’s effort to mitigate and manage risk in the financial sector, the President pursuant to Article 58 and 36(1) of the 1992 Constitution established the Financial Stability Advisory Council (FSC) on 28th December, 2018 with its members being the Ministry of Finance, the Bank of Ghana (BOG), Securities and Exchange Commission (SEC), National Insurance Commission (NIC), National Pensions Regulatory Authority (NPRA) and the Ghana Deposit Protection Corporation (GDPC). The Council’s mandate is to strengthen and reinforce the stability of the financial sector.

Members of the FSC in their capacity as Regulators within their sector, are required to provide the FSC with an interconnectedness report. The SEC is therefore required to provide information on interconnectedness within the Fund Management sector. The report shall further form the basis of considering the creation of an investor protection fund to support the SEC’s execution of its mandate in its establishment statute.

All Fund Managers are hereby directed to complete and submit on monthly basis the attached template on their client base (the Interconnectedness Report) with effect from 30th September 2020 in excel format. The completed report shall be submitted to the SEC through funds@sec.gov.gh by **Friday, 6th November, 2020**.

Reporting for subsequent periods shall be submitted with the other monthly reports by the 15th of the subsequent month. For further enquiries please email funds@sec.gov.gh or call SEC’s toll-free number 0800 100 065.

This Directive is issued pursuant to section 3 (e)(i)(m) and 209 of the Securities Industry Act 2016 (Act 929).

ISSUED BY ORDER OF
THE SECURITIES & EXCHANGE COMMISSION (SEC)
DATED: October 30, 2020





D)

PUBLIC INTEREST WARNING TO INVESTORS REGARDING PBAY LIMITED
SEC/PN/007/11/2020

The Securities and Exchange Commission (hereinafter referred to as the “SEC”) is the statutory body mandated by the Securities Industry Act 2016 (Act 929) 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 attention of the Commission has been drawn to the activities of PBAY Limited, an entity purporting to be able to facilitate the payment of customers locked-up funds with some SEC regulated market operators whose licenses have been revoked in return for fees or a commission. Our investigations have revealed that there is no company duly registered by the Registrar-General's Department under that name. Furthermore, the general public and investors are to note that neither the SEC nor the Official Liquidator, being the Registrar General, have authorized the actions of PBAY Limited.

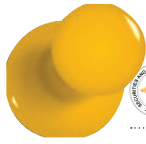
The SEC by this notice wishes to warn the general public and advise investors to submit their claims and supporting documentation only to publicly announced and designated persons in accordance with statutory notices issued or published by the Official Liquidator or the Securities and Exchange Commission. Anyone who disregards this warning does so at his or her own risk.

Furthermore, in reference to the government's bailout programme, the SEC wishes to remind the general public and affected investors that the agreement reached with Government was for the bailout to be effected only after validation of claims and liquidation orders are secured from the Courts of the Republic of Ghana. The first phase currently underway, covers clients of the twenty-three (23) companies currently under official liquidation, based on their validated claims. The second phase will cover clients of the remaining companies after the liquidation orders are secured through a transparent court process which is currently ongoing. There is therefore no need to contract financial advisors or facilitators to expedite anyone's legitimate claims. Additionally, the general public and investors are to note that no facilitation fee is required of investors who sign up for the Government Bailout package.

The public and affected investors shall be proactively updated on the progress of the process through the appropriate channels, including media and the website of the Commission. Requests for information relating to the bailout, can be made by calling the dedicated bailout call center number on **0242-439453** or visiting **www.bailout.rgd.gov.gh** for updates on the bailout situation.

Please note that this public interest warning is issued pursuant to section 208(c) of the Securities Industry Act 2016 (Act 929).

ISSUED BY ORDER OF
THE SECURITIES & EXCHANGE COMMISSION (SEC)
DATED: November 3, 2020



E) PRESS RELEASE: SEC LAUNCHES “TIME WITH THE COMMISSION” SERIES TO IMPROVE INVESTOR PROTECTION

The Securities and Exchange Commission (SEC) has launched an engagement series dubbed, “Time with the Commission” to drive closer partnerships with the investing public and other market operators in the capital market. The initiative forms part of the Commission’s mandate of regulating, innovating, and promoting the growth and development of an efficient, fair, and transparent securities market in which investors and the integrity of the market are protected.

The first in the series of engagement programmes has been held in Accra with the Ghana Securities Industry Association (GSIA) and its members to highlight the contents of the following newly issued guidelines for market operators: licensing requirements for market operators; code of business guidelines; regulatory sandbox licensing guidelines and the corporate governance code.

The commission was represented at the maiden event by the Director-General (DG), Rev. Daniel Ogbarmey Tetteh, and his two Deputy Directors-General, Mrs. Deborah Agyemfra and Mr. Paul Ababio.

The Director-General in his presentation noted that the rationale for the new guidelines was to raise the integrity bar for operators in the market and enhance the regulatory oversight of the Commission. He also indicated that, in addition to ensuring compliance with the new licensing requirements, the SEC shall have regard to the market operators’ ability to carry on the regulated activity competently, honestly, and fairly.

The Director-General further emphasized that, with the new Minimum Capital Requirement (MCR), existing market operators would be expected to be fully compliant by December 31, 2021, while new entrants would be required to meet the new requirements immediately.

In the Conduct of Business Guidelines, market operators were told to apply due care, skill, and diligence in the best interest of their clients and the integrity of the capital market.

The programme included an interactive Question & Answer (Q & A) session, where market operators sought for and received clarity on the new licensing requirements.

The next engagement of the series which was scheduled for November 19, 2020, involved members of the investing public and other key stakeholders and shed light on important developments to be introduced to further ensure investor protection and also provide important updates on the bailout situation.

Requests for information can be made by sending an email to info@sec.gov.gh, or via toll-free line, 0800100065, or visiting the SEC at www.sec.gov.gh.

ISSUED BY ORDER OF
THE SECURITIES & EXCHANGE COMMISSION (SEC)



2. INTERNATIONAL UPDATES

IOSCO'S MEASURES TO REDUCE CONFLICT OF INTEREST IN DEBT CAPITAL RAISING

DOROTHY YEBOAH-ASIAMAH

Manager, International Relations and Board Secretary

International Organization of Securities Commissions (IOSCO) has published a report on measures to reduce conflict of interests

in debt capital raising. The Board of IOSCO published the report on guidance to help its members address potential conflicts of interest and associated conduct risks market intermediaries may face during the debt capital raising process.

The guidance also seeks to address some specific concerns observed by certain regulators during the COVID-19 crisis that may affect the integrity of the capital raising process.

Conflicts of interest and associated conduct risks can weaken investor confidence and undermine debt capital markets as an effective vehicle for issuers to raise funding. To help regulators identify and address these risks, IOSCO published the report on Conflicts of interest and associated conduct risks during the debt capital raising process.

The guidance comprises nine measures that address potential issues when issuers are preparing to raise debt finance, including such things as the use of risk management transactions, the quality of information available to investors, and the allocations process. The consultation report on the guidance comprised eight measures published in December

2019 prior to the start of the COVID 19 pandemic. The final report included an additional ninth measure that addresses specific concerns that emerged from the crisis. It seeks to address the potentially problematic conduct of lenders that may opportunistically leverage their role during debt capital raising to pressure corporate clients into awarding them future mandates. While the guidance focuses on traditional corporate bonds, it may prove useful to IOSCO members considering raising capital through other types of debt securities.

The Guidance reflects an expectation of high standards of conduct by market intermediaries in the debt capital raising process. Although the Guidance is not binding, IOSCO members are encouraged to consider the Guidance carefully in the context of their legal and regulatory framework, given the significant potential risks and harms the Guidance intends to address. While this IOSCO project focuses on traditional corporate bonds, the



Guidance may be helpful as IOSCO members consider capital raisings involving other types of debt instruments. The Guidance have been listed below:

Measure 1: Regulators should consider requiring firms to manage conflicts of interest that may arise in relation to the pricing of a debt securities offering, keeping the issuer informed of key decisions or actions which can influence the pricing outcome, and giving the issuer an opportunity to express its preference regarding the pricing of an issue during the pricing process.

Measure 2: Regulators should consider requiring firms to take reasonable steps to disclose to the issuer how any risk management transactions it intends to carry out for itself, the issuer, or investor clients, will not compromise the issuer's interests in relation to pricing of the new issuance.

Measure 3: Regulators should encourage the timely provision of a range of information to investors in a debt securities offering, where distribution of such information is permitted under local law.

Measure 4: Regulators should

consider requiring firms to have appropriate controls to identify, prevent where possible and manage



Conflicts of interest and associated conduct risks can weaken investor confidence and undermine debt capital markets as an effective vehicle for issuers to raise funding.



any conflicts of interest that arise in the preparation of research on a debt securities offering.

Measure 5: Regulators should

consider requiring firms to maintain an allocation policy that sets out their approach for determining allocations in a debt securities offering, and for the firm to regularly assess its compliance with the policy.

Measure 6: Regulators should encourage firms to consider their issuer client's preferences e.g. investor profile and composition, when making allocation decisions or recommendations.

Measure 7: Regulators should consider requiring firms to have appropriate controls to identify, avoid where possible and manage any conflicts of interest that arise in the allocation recommendations of a debt securities offering.

Measure 8: Regulators should consider requiring firms to maintain records of allocation decisions to demonstrate that any conflicts of interest are appropriately managed.

Measure 9: Regulators should consider requiring firms to observe proper standards of market conduct, act with integrity, manage conflicts of interest, and to treat clients fairly when negotiating to secure a mandate for a debt capital raising.



OICU-IOSCO
INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS



3. KNOWLEDGE BANK

HIGHLIGHTS OF THE LICENSING REQUIREMENTS GUIDELINES (PART 2)

FRANK BINEY DONKOR
Manager, Policy and Research, SEC

The Commission on 8th October 2020 through a press release issued four (4) new guidelines to steer the operations and activities of capital market operators.

These were

- Conduct of Business Guidelines,
- Licensing requirements for market operators
- Regulatory Sandbox Licensing Guidelines
- Corporate Governance Code for listed companies.

The previous edition of SEC Newsletter (2nd Quarter Newsletter 2020) brought to you some highlights of the Licensing Requirements Guideline (LRG) which focused mainly on “Licensing Requirements for Corporate Applications” (Part 3 section 6 of licensing requirements guideline)

This edition of the Newsletter brings to you further highlights of the LRG which contains the regulatory capital

needed to operate in the securities market in Ghana.

The focus in this edition will be on “Licensing Requirements for Investment Advisers’ (individual) Applications” (Part 3 section 7 of licensing requirements guideline).

Section 7 of LRG is a new regulatory regime that seeks to rope in the concept of “Individual Financial/Investment Advisers” into Ghana capital market space in an effort to ensure that individuals with the necessary financial skills and experience can come out with new, innovative and tailored-made financial investment products that would enhance market development at large.

Below are some of the major highlights which begins with some sections of Part 2 of the LRG.

Part 2, section 3 (Page 5) of the Licensing Guidelines stipulates that;

1) Application for a licences is described in schedule 1: In this case, the schedule 1 refers to the types of application for licences (Page 16 of LRG)

2) The Application shall be made to the Commission in the prescribed Form

under Schedule 2 (Page: 16 of LRG). The schedule 2 has the 3 forms (in a tabular form) as follows;

• **Form 1:** APPLICATION BY CORPORATE BODY FOR A GRANT / RENEWAL OF A LICENCE

• **Form 2:** APPLICATION BY AN INDIVIDUAL FOR THE GRANT/ RENEWAL OF A LICENCE TO CARRY ON BUSINESS AS AN INVESTMENT ADVISER

• **Form 3:** APPLICATION FOR THE GRANT/RENEWAL OF A REPRESENTATIVE LICENCE

Part 3, Section 7 (Pages 8 & 9 of LRG) of the Licensing guideline provides for the requirements needed for investment advisers (individual) applications. We therefore provide the highlights of the requirements as follows;

An application for a licence **to act as “an investment adviser (individual)”** shall be in Form 2 (Schedule 2, Page 16 of LRG) and the applicant shall:

(1) Establish to the satisfaction of the Commission that it is a fit and proper person (in accordance with the fit and proper principle set out in guideline 3)



to be licensed **as an investment adviser (individual)**

(2) Satisfy and maintain the minimum capital requirement (as specified in Schedule 4, Page 24 of LRG) and the liquid capital requirement in accordance with the Securities Industry (Financial Resources) Guidelines 2020;

(3) Neither carry on, nor hold himself out as carrying on, any business other than an investment adviser, and from premises specified in the application, except only in respect of such other matters as are ancillary or incidental thereto, or as may be expressly permitted by the Commission;

(4) Provide evidence that he is duly qualified by reason of;

a. Having a minimum of first degree or its equivalent, or professional qualification in a relevant field including banking, finance, accounting, business management, law or economics with a minimum of 7 years post-qualification experience in the financial services industry;

b. Having a minimum of first degree or its equivalent in areas other than (a) above with a minimum of 10 years relevant post-qualification experience in

the financial services industry; or

c. Being a non-degree holder with a minimum of 15 years post-qualification experience, 5 of which must be in a senior management position in the securities industry;

(5) Produce evidence of completion of the appropriate course organised by the Ghana Investment and Securities Institute (GSI) or any other course approved by the Commission

(6) Provide satisfactory information as to its proposed internal control procedures and risk management systems to ensure its compliance with all applicable regulatory requirements;

(7) Provide contact details of two referees, one from the securities industry with senior management experience, and the other from a previous employer or a senior public servant or a legal practitioner, or a chartered accountant.

(8) Make available in his office upon demand by a person a copy of his last audited financial statements (which shall be in conformity with the minimum financial disclosure requirements prescribed from time to time by the Commission, and shall include a copy of the auditors' report) and shall be

published on the website of the licensee.

(9) The application form shall be accompanied by the following documents –

- Certified true copy of the certificate of Registration of its business name;
- Sworn undertaking to comply with the provisions of the Act and its subordinate legislation;
- Evidence of minimum capital as required by Schedule 4 (Page 24 of LRG)
- Completed Personal Notes and curriculum vitae;
- Receipt for licence fee;
- Proof of National identification (passport, national ID) which must be current and valid;
- Proof of office location and/or residential address (utility bill) and sketch of directions to CEO's residence.

In addition, the minimum capital requirement for firms in the industry can be found under **Schedule 4** (Page 24 of LRG) of the licensing requirements guideline which is indicated in the table below (table repeated from previous edition).

MINIMUM CAPITAL REQUIREMENTS FOR MARKET OPERATORS

Regulated Activity	Minimum Capital (GH¢)
Broker-Dealer	1,500,000
Clearing House	50,000,000
Credit Rating Agency	1,000,000
Custodian	50,000,000
Fund Manager	2,000,000
Investment Adviser (Corporate)	1,000,000
Investment adviser (Individual)	200,000
Issuing House	1,000,000
Margin Trader	2,000,000
Market Maker	3,000,000



Nominee	1,000,000
Primary Dealer	400,000,000
Registrar	1,000,000
Securities Depository	50,000,000
Securities Exchange	10,000,000
Trustee	50,000,000
Underwriter	2,500,000

The Transitional Provision of the LRG (Section 19, page 14 of LRG) stipulates that **“A licensed market operator shall take steps to comply with the new minimum capital requirements specified in schedule 4 no later than 31st December 2021”**. It should however be noted that the full document (s) can be found on our website at www.sec.gov.gh under the heading “Laws and Regulations”.

Disclaimer: The views expressed are the author's own and do not necessarily represent the views of the Securities and Exchange Commission, its members or staff.



4. ENFORCEMENTS

INFRACTIONS & PENALTIES; COMPLAINTS RECEIVED DURING THE SECOND QUARTER

1.0 Infractions and Penalties

The following companies were sanctioned for various violations of the Securities Industry Act:

COMPANY	INFRINGEMENT	PENALTY (GH¢)
Dusk Capital Limited	Operating without a Licence	54,000.00
Continental Capital Limited	Late submission of January 2020 Monthly Returns	700.00
HMI Management Services Ltd.	Late notification of the appointment of fund manager's rep	3,600.00

2.0 Complaints

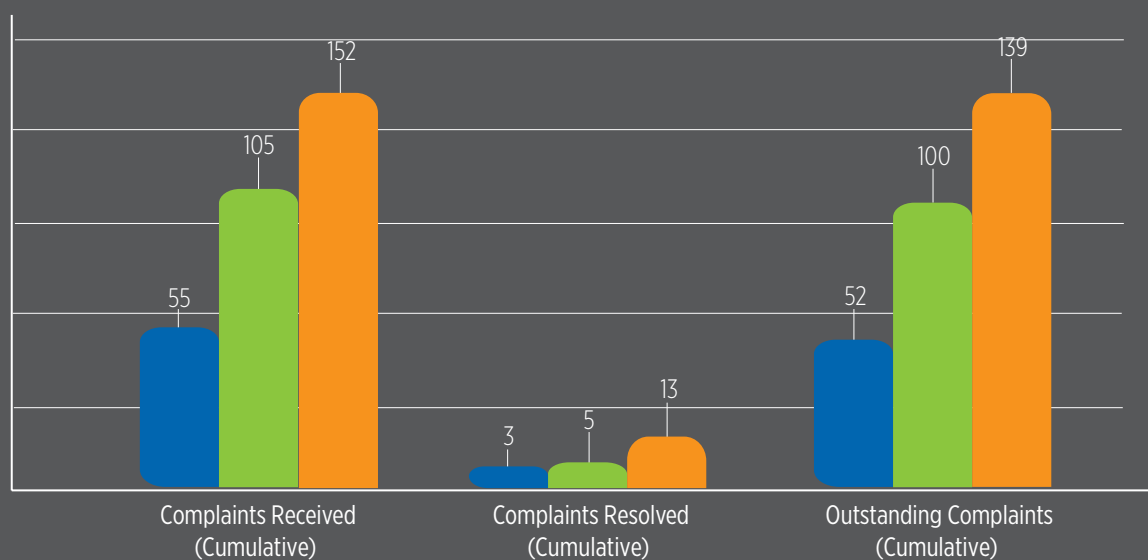
Complaints received during the Third (3rd) Quarter of 2020

PERIOD	COMPLAINTS RECEIVED (CUMULATIVE)	COMPLAINTS RESOLVED (CUMULATIVE)	OUTSTANDING (CUMULATIVE)
End Mar 2020	55	3	52
End Jun 2020	105	5	100
End Sept 2020	152	13	139



COMPLAINTS: END OF SEPTEMBER 2020

● End of March 2020 ● End of June 2020 ● End of September 2020



The above complaints were mainly related to:

- i) Non-payment of redemption requests.
- ii) Difficulty in accessing statement on investments.



BRAIN TEASERS

- 1** *In 1990, a person is 15 years old. In 1995, that same person is 10 years old. How can this be?*

- 2** *A very wealthy wanted to leave his fortune to one of his two sons. He makes a proposition: Both sons use their in a race, and whichever camel crosses the finish line LAST will win the fortune for its owner. During the race, the two brothers wander aimlessly for days, neither willing to cross the finish line. In desperation, they ask a wise man for advice. He tells them something; then the brothers leap onto the camels and charge toward the finish line. What did the wise man say?*

- 3** *The water level in a reservoir is low, but doubles every day. It takes 60 days to fill the reservoir. How long does it take for the reservoir to become half full?*

- 4** *You're in a dark room with a candle, a wood stove, and a gas lamp. You only have one match, so what do you light first?*

- 5** *When can you add two to eleven and get one as the correct answer?*



Answers in the next issue



5 FACTS & FIGURES

MARKET STATISTICS OFFERS & OTHER APPROVALS

MARKET STATISTICS

Table Q: Assets under Management (3rd Quarter 2020)

AUM (GH¢)	END SEPT, 2020	END JUNE, 2020	% CHANGE
Pensions	12,876,315,262.23	17,868,330,968.71	(27.94)
CIS	3,036,970,582.28	3,700,045,619.26	(17.92)
Other funds	4,695,843,602.09	5,936,293,401.59	(20.90)
Total (GH¢)	20,609,129,446.60	27,504,669,989.56	(25.07)

Offers and Other Approvals

1. List of firms licensed during the Third (3rd) Quarter 2020:

Approval of Licenses

COMPANY	LICENSE CATEGORY
GCB Capital Ltd	Fund Manager

2. Offers, Approvals and Listings (Primary and Secondary Market)

List of Approvals

1. Offers and Approvals and Listing (Primary and Secondary Market)

OFFER, LISTING AND BUSINESS COMBINATION APPLICATIONS			
APPLICANT	APPROVAL TYPE	APPROVAL DATE	OFFER SIZE
1. Daakye Trust Plc	Note Programme	29-Sep-2020	GH¢ 5.5B

2. Note Tranches

APPROVAL OF NOTE TRANCHES			
ISSUER	TRANCHE NO.	AGGREGATE OFFER SIZE	SUBSCRIPTION (%)
1 Bayport Financial Service	12	GH¢ 41.248M	100

3. Total Number of Issuing Houses

1	ABSA Bank Limited
2	Fidelity Bank Ghana Limited



3	GCB Bank Limited
4	IC Securities Limited
5	Stanbic Bank Ghana Limited
6	Standard Chartered Bank Ghana Limited
7	Databank Brokerage Limited
8	Temple Investment Limited

CAPITAL MARKET STATISTICS AND ANALYSES

1. Capital Market Operators as at the end of Third (3rd) Quarter 2020

	CATEGORY OF LICENSED OPERATORS	END SEPT 2020	END JUNE 2020	CHANGE
1	Broker-Dealers	27	27	0
2	Custodians	18	18	0
3	Exchange Traded Funds	1	1	0
4	Investment Advisers	11	12	(1)
5	Fund Managers	86	85	1
6	Mutual Funds	46	46	0
7	Primary Dealers	12	13	(1)
8	Registrars	4	4	0
9	Securities Depositories	1	1	0
10	Securities Exchange	2	2	0
11	Trustees	7	7	0
12	Issuing House	8	8	0
13	Unit Trusts	21	21	0
14	Private Funds	2	0	2
TOTAL		246	245	1

2. Stock Market Statistics

INDICATORS	END SEPT 2020	END JUNE 2020	% CHANGE
Number of Listed Companies (Main Market)	32	32	0
Number of Listed Companies (Ghana Alternative Market)	5	5	0
Volume of Trades: Cumulative (Equities)	403,915,945	262,248,753	54.02
Value of Trades (GH¢): Equities	295,198,964.78	194,008,027.41	52.16
Market Capitalization (GH¢ million)	53,159.76	52,950.40	0.40
GSE- Composite Index (GSE-CI)	1,856.56	1,899.90	(2.28)
GSE- CI YTD Returns (%)	(17.75)	(15.83)	(12.13)
GSE- Financial Stock Index (GSE-FSI)	1,675.63	1,725.04	(2.86)



3. Performance of Equities on Ghana Stock Exchange

NO.	NAME OF COMPANY	CODE	CLOSING PRICE (GH¢) END SEPT 2020	OPENING PRICE (GH¢) END JUNE 2020	CHANGE (GAIN/LOSS) (GH¢)
1	Access Bank Ghana PLC	ACCESS	4.39	4.39	0.00
2	Agricultural Development Bank	ADB	5.06	5.06	0.00
3	AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00
4	Aluworks Limited	ALW	0.11	0.11	0.00
5	Benso Oil Palm Plantation	BOPP	2.11	2.50	(0.39)
6	Cal Bank Ltd	CAL	0.70	0.73	(0.03)
7	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00
8	Camelot Ghana Ltd.	CMLT	0.11	0.11	0.00
9	Cocoa Processing Co. Ltd.	CPC	0.03	0.02	0.01
10	Dannex Ayrton Starwin Plc.	DASPHARMA	0.40	0.40	0.00
11	Ecobank Ghana Ltd.	EGH	7.00	7.50	(0.50)
12	Enterprise Group Ltd.	EGL	1.40	1.43	(0.03)
13	Ecobank Transnational Inc.	ETI	0.06	0.06	0.00
14	Fan Milk Ltd.	FML	1.04	1.80	(0.76)
15	GCB Bank Ltd.	GCB	3.70	3.40	0.30
16	Guinness Ghana Breweries Ltd.	GGBL	1.00	1.20	(0.20)
17	Ghana Oil Company Limited	GOIL	1.50	1.59	(0.09)
18	Golden Star Resources Ltd.	GSR	9.50	9.50	0.00
19	Mega African Capital Ltd	MAC	5.98	5.98	0.00
20	Mechanical Lloyd Plc	MLC	0.09	0.09	0.00
21	Scancom PLC	MTNGH	0.61	0.59	0.02
22	PBC Ltd.	PBC	0.03	0.03	0.00
23	PZ Cussons Ghana Ltd.	PZC	0.38	0.38	0.00
24	Republic Bank (Ghana) Ltd.	RBGH	0.40	0.40	0.00
25	Standard Chartered Bank Gh. Ltd.	SCB	14.00	15.50	(1.50)
26	SIC Insurance Company Ltd.	SIC	0.10	0.10	0.00
27	Societe Generale Ghana Limited	SOGEGH	0.64	0.60	0.04
28	Sam Woode Ltd.	SWL	0.05	0.05	0.00
29	Trust Bank Gambia Ltd	TBL	0.34	0.34	0.00
30	Total Petroleum Ghana Ltd.	TOTAL	2.35	2.35	0.00
31	Tullow Oil Plc	TLW	11.92	11.92	0.00
32	Unilever Ghana Ltd.	UNIL	10.21	13.98	(3.77)
Ghana Alternative Exchange (GAX)					
33	Samba Foods Limited	SAMBA	0.55	0.55	0.00
34	Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00
35	Hords Ltd	HORDS	0.10	0.10	0.00
36	Intravenous Infusions Limited	IIL	0.05	0.03	0.02
37	Digicut Production & Advertising Ltd	DIGICUT	0.09	0.09	0.00
Others (Depository and Pref Shares, ETFs)					
38	AngloGold Ashanti Depository Shares	AADS	0.41	0.41	0.00
39	Standard Chartered Bank Pref. Shares	SCB PREF	0.87	0.87	0.00
40	NewGold:Exchange Tradeable Funds (ETFs)	GLD	90.90	90.90	0.00



WHAT DO YOU KNOW ABOUT INVESTING ? TAKE A QUIZ

- 1** *A formal legal document, which is required by and filed with the Securities and Exchange Commission, that provides details about an investment offering for sale to the public*
 - a. Prospectus
 - b. Book value
 - c. Growth stock
 - d. Annual Report

- 2** *A valuation ratio of a company's current share price compared to its per-share earnings.*
 - a. Earnings per share
 - b. Return on equity
 - c. Price-earnings
 - d. None of the above

- 3** *..... are greatly influenced by changes in the economic business cycle. If the economy is doing poorly, so is the stock. They are companies which operate in major consumer dependent industries*
 - a. Blue chip stock
 - b. Cyclical stock
 - c. Growth stock
 - d. Value stock

- 4** *A type of stock that is from a company with a strong reputation for reliability, strong earnings and regular dividends.*
 - a. Blue chip.
 - b. Growth.
 - c. Value.
 - d. All of the above



THIRD QUARTER MARKET SUMMARY/ANALYSIS

FRANK BINEY DONKOR

Manager, Policy & Research

EQUITY MARKET

At the end of the third quarter (Q3) 2020, the Ghana Stock Exchange Composite index (GSE-CI), closed at **1,856.56 points** from **1,899.90** points recorded at the end of second quarter (Q2) 2020. This represents a -17.75% year-to-date (YTD) change compared to -15.83% YTD as at the end of June 2020.

During the period under consideration, the GSE had thirty-seven (37) listed equities on its platform. Out of the thirty-seven (37) equities, thirty-two (32) of the stocks are listed on the Main trading platform of the GSE whilst the five (5) remaining stocks are listed on the Ghana Alternative Market (GAX) trading platform of the GSE.

At the end of the third quarter 2020, five (5) stocks appreciated in price, nine (9) equities recorded price declines and the remaining twenty-three (23) stocks traded flat.

The total market capitalization recorded during the period under consideration was **GH¢ 53,159.76 million** compared to **GH¢ 52,950.40 million** at the end of second quarter 2020. The increase in market capitalization could mainly be attributed to rises in stock prices during the period under review. Volume and value of equities traded on the GSE up to the end of the third quarter of the year 2020 were **403,915,945** shares and **GH¢ 295,198,964.78** respectively based on **8,638** trade transactions.

Fixed Income/Debt Market:

At the end of third quarter 2020, the number of notes & bonds (fixed income/debt securities) listed on the GFIM were 124. The debt securities listed are made up of 58 corporate bonds, 57 Ghana Government (GOG) bonds and 9 Eurobonds respectively.

The value of Government listed debt securities (GOG), corporate debt and Eurobonds on the GFIM at the end of September 2020 were **GH¢ 108,616.43 (million)**, **GH¢ 27,241.21 (million)** and **\$8,750 (million)**, respectively. In addition, the value of GOG and listed corporate bonds denominated in dollars were \$371.4 (million) and \$13.80 (million) respectively.

Finally, the value of trades on the GFIM (CSD platform) from January to the end of September 2020 was **GH¢ 75,675,121,380.00** compared to **GH¢ 66,051,019,123.00** which was for the period January to June 2020.

Funds Management Industry:

In the Funds Management industry, the total assets under management (AUM) for the **third quarter** of 2020 was **GH¢ 20,609,129,446.60** which represented a **decrease of 25.07%** from the previous quarter. The total assets under management are made up of pension funds (**GH¢ 12,876,315,262.23**), collective investment schemes (CIS = **GH¢ 3,036,970,582.28**) and other funds (**GH¢ 4,695,843,602.09**) managed by fund managers.

Refer to table Q on page 15.

**1,856.56
Points**

The points at which the GSE-Composite Index closed at third quarter 2020.

**GH¢53,159.76
Million**

The total market capitalization recorded at the end of third quarter, 2020.

**GH¢20,609,129,
446.60**

The total asset under management for the third quarter of 2020



ANSWERS TO BRAIN TEASERS AND INVESTING QUIZ IN PREVIOUS ISSUE

ANSWERS TO BRAIN TEASERS

- 1) *There were no stairs. The house is one-storey*
- 2) *Switch on 1&2, wait a minute, switch off switch 2 and go into the room and check if the bulb is on, hot, or cold. The bulb that is on is connected to switch 1, the hot bulb is connected to switch 2 and the cold bulb is connected to switch 3*
- 3) *A Secret*
- 4) *The letter “m”*
- 6) *All the people on the boat are married*
- 7) *Throw it straight up in the air*

ANSWERS TO INVESTMENT QUIZ

- 1) *A. That is new with a consistent record of relatively rapid growth and earnings*
- 2) *C. The annual return on your investment*
- 3) *A. Instant investment diversity*
- 4) *C. A company that owns and manages a portfolio of real estate properties and mortgages.*



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