



ENSURING INVESTOR PROTECTION

SEC NEWS

OFFICIAL NEWSLETTER OF SECURITIES & EXCHANGE COMMISSION

2ND QUARTER (APR. - JUN.) 2022



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Infractions, Penalties and Complaints Received in the Second Quarter of 2022



"It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for." — Robert Kiyosaki





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2ND QUARTER MARKET SUMMARY

The benchmark Ghana Stock Exchange Composite Index (GSE CI) continued on a downward trajectory for a third consecutive quarter. The escalated inflationary pressures (+1,040bps, q/q) and currency depreciation (-2%, q/q, -16.9% ytd) had an adverse impact on investor sentiments, which led to the GSE CI shedding 197 points over the quarter (-7.2% q/q) to 2,545.48 points.

EDITORIAL TEAM

- | | |
|-----------------------------|------------------------------|
| 1. Mr Emmanuel Ashong-Katai | 4. Ms Dorothy Yeboah-Asiamah |
| 2. Mr Frank Biney Donkor | 5. Mrs Lilian Danso Affum |
| 3. Mrs Naomi Simpson | 6. Mr Andy Anim |

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

DESIGNED & PRINTED BY:



NOTICE TO THE Public



PUBLIC ADVICE

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embers 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 license.
- Reporting fraudulent investment schemes (e.g. Ponzi Schemes).
- Reporting fraudulent activities of Capital Market Operators.
- Making complaints against Capital Market Operators.

PUBLIC NOTICE

PUBLIC NOTICE ON ELECTRONIC TRANSFER LEVY (E-LEVY) IMPLEMENTATION

T

he Securities and Exchange Commission (SEC) wishes to inform all Capital Market Operators and the investor community that, following the commencement of implementation of the Electronic Transfer Levy (E-Levy) Act 2022 (Act 1075) on May 1, 2022, by the Ghana Revenue Authority (GRA), the SEC is currently working with Ministry of Finance (MoF) regarding the potential exemption of investment transactions from the E-Levy. The SEC notes that until such exemptions are granted, Capital Market Operators shall strictly adhere to guidelines issued by the GRA regarding implementation of the E-Levy.

It is estimated that by the start of the second phase (July 1, 2022) of the modified phased-approach adopted by the GRA, Charging Entities would have completed their integration with the GRA E- Levy Management System (Common Platform), thereby facilitating the complete identification of individuals, verification of daily threshold and exemptions across the various platforms of the Charging Entities.

All Capital Market Operators are therefore advised to update their customers' investment records using their individual National Identification Card (Ghana Card) and ensure full compliance with the directive issued by the SEC in July 2020 on Trust Accounts' opening, maintenance and operation **SEC/DIR/003/07/2022** which shall become a key ingredient in seeking potential exemptions for the market.

DATED: 3rd May 2022

**MARKET CIRCULAR****CIRCULAR TO ALL MARKET OPERATORS REGARDING REVENUE COLLECTIONS ACCOUNT**

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

Section 15 (1) of Act 929 imposes a levy on a person issued with a market operators license under Section 109. In accordance with the provisions of the Public Financial Management Act, 2016 (ACT 921), the Securities and Exchange Commission has opened a Revenue Collections Account with

the Consolidated Bank Ghana, and hereby directs that effective 15th June 2022, all market levies, license fees & renewals, penalties, and all other payments due it, should be made directly into the Commission's Revenue Collections Account with the details below:

BANK NAME :

Consolidated Bank Ghana Limited.

ACCOUNT NAME :

SEC Revenue Collection Account

ACCOUNT NUMBER :

1774358120001

BRANCH :

Manet Tower 3

When making payments, kindly quote your company's license number excluding the year as your reference

number. An example is, if your license number is **SEC/CM0/014/2022**, quote **SEC/CM0/014** as your reference. Your reference number would be used to identify your payment transaction.

DATED: 6th June 2022

02 INTERNATIONAL Updates

SECURITIES AND EXCHANGE COMMISSION AND GHANA STOCK EXCHANGE'S STUDY TOUR TO JAMAICA STOCK EXCHANGE

T

he Director-General of the Securities and Exchange Commission Ghana, Rev. Daniel Ogbarmey Tetteh was invited

by the Managing Director of the Ghana Stock Exchange, Mr. Ekow Afedzie, to join a delegation from the Ghana Stock Exchange on a study tour to the Jamaica Stock Exchange from the 2nd to 6th of May 2022.

The objectives of the study tour included the following:

- Ride on our historical linkages to build a solid relationship between the two entities
- Exchange information on both markets relevant for mutual growth
- Pick the key learnings from their demutualization journey and setting up of 5 markets
- Cross-listing and trading to expand and grow both stock markets
- Explore investment opportunities in both countries to grow our

economies

The Ghanaian delegation visited the Jamaica Chamber of Commerce (JCC) and had a meeting with the President of the JCC, Mr. Ian Neita and his team. The JCC and the Ghanaian delegation discussed issues which included the following:

- Leverage on strong ties between Ghana and Jamaica to explore development opportunities in both countries
- Create a deep link for the business community in both countries
- Businesses in Jamaica were looking for opportunities outside and Ghana would be a good target. An example is Private Equity firms and FinTechs looking for cross border opportunities
- Opportunities to raise capital in both markets
- Strong regulatory framework to guarantee the safety of investments
- Ease of access to market

information in both countries

- Banks give a higher rating to listed companies and thus more access to facilities
- Proposal for an online seminar with JCC members

The Ghanaian delegation also paid a courtesy call on the Minister of Industry

The Ghanaian delegation visited the Jamaica Chamber of Commerce (JCC) and had a meeting with the President of the JCC, Mr. Ian Neita and his team.



Investment and Commerce, Honorable Aubyn Hill who welcomed the delegation to his office and had a discussion on the following:

- a. Plans to register companies in Jamaica

the University of West Indies and University of Technology where the GIPC /CNBC documentary on Ghana was played to give an overview of Ghana and the investment opportunities. The Director-General of the SEC Ghana

Capital Group, JMMB, Victoria Mutual and Barita Investments. It is worth noting that, these are the largest investment and brokerage firms offering a wide range of services in the Capital Market in Jamaica and some other Caribbean countries.

There was a public lecture to the University of West Indies and University of Technology where the GIPC /CNBC documentary on Ghana was played to give an overview of Ghana and the investment opportunities.

- remotely
- b. Good legal system
- c. Limited access to capital from Africa
- d. The need to connect businesses in both countries

There was a public lecture to

and the MD of the GSE took turns to engage the students in the activities in the capital market in Ghana and also inspired the students to aspire for greater heights through continuous learning.

The delegation subsequently had an engagement with Market Operators: NCB

The Ghanaian delegation was represented by

- a. Rev. Daniel Ogbarmey Tetteh - Director General of SEC
- b. Mr. Ekow Afedzie - Managing Director of GSE
- c. Mrs. Diana Okine - Head of Strategy And International Relations of GSE
- d. Mrs. Joyce Esi Boakye - Head of Listing And New Products of GSE
- e. Mr. Jerry Boachie-Danquah - Head Of Marketing & PR of GSE

GHANA STOCK EXCHANGE SIGNS A MEMORANDUM OF UNDERSTANDING WITH JAMAICA STOCK EXCHANGE

During the visit, the Ghana Stock Exchange (GSE) signed a historic Memorandum of Understanding (MoU) with the Jamaica Stock Exchange (JSE) to forge a stronger relationship across the stock markets and the economies of both countries. The signing of the MoU presents enormous opportunities for both Exchanges.

The Managing Director of the JSE, Dr. Marlene Street Forrest, indicated that the move would further cement linkages across markets and strengthen diaspora connections. According to her, the relationship with Ghana is very strategic to as they pursue their 2025 vision to expand their borders for growth and

sustainability.

The Director-General of the Securities and Exchange Commission Ghana, Rev Daniel Ogbarmey Tetteh also noted that, such partnerships with Exchanges in other regions would help promote the sharing of best practices and knowledge transfer, which were critical to the development of the markets.



Mr. Ekow Afedzie, Managing Director of GSE, also mentioned that he was eagerly looking forward to the cross-listing and cross-trading activities that would emerge from the partnership.

This collaboration could also lead to further development of the two economies, not just in the stock markets but in general investment opportunities across both countries.

Written by:

Dorothy Yeboah Asiamah, Board Secretary and Senior Manager International Relations.

MS. NEZHA HAYAT, CHAIRPERSON OF THE AMMC, ELECTED AS CHAIR OF AFRICA/MIDDLE-EAST REGIONAL COMMITTEE FOR A SECOND TERM

M

s. Nezha Hayat, Chairperson of the AMMC, has been appointed as the Chair of Africa/Middle-

East Regional Committee (AMERC) for a second term after serving a two-year term (2020-2022).

Following the call for nominations for the positions of AMERC Chair Ms Hayat was the only candidate nominated for the position of AMERC Chair.

No objection was raised for the written procedure to

confirm the appointment of the AMERC Chair for the term 2022-2024; accordingly, the AMERC appointed Ms. Hayat as AMERC Chair for the term 2022-2024.

The SEC Ghana would like to congratulate Ms Hayat and wish her every success in her second term as AMERC Chair.

Written by

Dorothy Yeboah-Asiamah,
Board Secretary and Senior
Manager International
Relations.



Ms. Nezha HAYAT
Chair of AMERC

POSTMODERN INVESTMENT Fraud SCHEMES

Understanding the Ecosystem of High Yield Investment Programs.

“Investors should always keep in mind that the most important metric is not the returns achieved but the returns weighed against the risks incurred. Ultimately, nothing should be more important to investors than the ability to sleep soundly at night.”(Seth Klarman)

G

lobal integration, internet-based trading, and financial innovation are just a few of the notable recent developments in the financial markets. Financial markets today are more advanced, varied, and

globalized than ever before. Due to the Enron & WorldCom scandals and the increasing number of investment fraud, several laws, modifications, and restructuring strategies have been adopted globally for more than a decade. An important issue in this domain for the SEC

is investor protection. Mechanisms for protecting investors have been in place to deal with crises, deception by institutions and intermediaries, responsibility in cases of fraud, insider trading, and cross-jurisdictional cooperation. Notwithstanding, investors in the capital market space are now at risk of falling victim to fraud, financial exploitation, or the negative impact of unsuitable investments more than ever due to the rapidly changing financial landscape, cutting-edge financial technologies, and increasingly sophisticated

Financial markets today are more advanced, varied, and globalized than ever before. Due to the Enron, and WorldCom scandals, and the increasing number of investment fraud, several laws, modifications, and restructuring strategies have been adopted globally for more than a decade



investment products and financial services.

The financial lives of people are damaged every single day by con artists and swindlers. There are no reasonable means to keep track of the sheer volume of fraud committed every calendar year because the incidence of fraud is so prevalent and occurs in diverse ways. To make matters worse, the UK's National Fraud Intelligence Bureau (2020) via Action Fraud, Cifas, and UK Finance indicates that just 16.6 percent of frauds and cybercrime offenses are being reported. Even though it is impossible to estimate how much wealth is transferred from victims to scammers each year in Ghana, one can begin to understand the seriousness of this issue with the following statistics;

- A Pricewaterhouse Coopers (PwC) audit commissioned by the Bank of Ghana revealed that DKM Diamond Microfinance Company Limited had a total deposit liability of GH¢115.24 million versus a total of GH¢10.8 million in cash. Additionally, GH¢ 77.26 million was transferred to the subsidiaries of DKM Diamond Microfinance Company Limited (Ofori,

The financial lives of people are damaged every single day by con artists and swindlers. There are no reasonable means to keep track of the sheer number of frauds committed every calendar year because the incidence of fraud is so prevalent and occurs in diverse ways.

2020).

- The banking sector recorded total fraud of about GH¢115.52 million in 2019. Of this sum, about 28.96% (or GH¢ 33.44 million) was reported as a loss and 71.04% (or GH¢82.06 million) was unsuccessful or recovered. The reported total loss value is composed of GH¢10,35,000,000 and the remaining balance of GH¢23,09,000,000 (as of the end of December 2019). This represents a total of 2,295 cases of fraud representing a 5.4 percent increase compared with cases reported in 2018 (Bank of Ghana, 2019).

We frequently see a lot of these statistics published in national newspapers and presented on business and news television programs. The examples given might not look as remarkable in that case. Fair enough, the estimated GH¢115.52 million (\$20.88 million) lost as a result of the scam in Ghana in 2019 amounts to only 0.03% of the nation's total Gross Domestic Product (GDP) at the time. However, given that Ghana's GDP per

capita is projected to be around \$2,194.23, it would take roughly 9,520 Ghanaians to earn the money lost in 2019 due to banking sector fraud alone. If it is not enough to make a difference, consider that the appropriated amount for the Ministry of Tourism, Culture and Creative Arts in the fiscal year, GH¢103.86 million, was lower.

These crimes have numerous and serious repercussions. The repercussions may include

- Panic and mistrust in the investing public which affects confidence in the financial system.
- Hard-working people being robbed of the money they require for daily expenses, retirement, education, etc.
- Families becoming so devastated in some situations that they must rely on social assistance to survive, placing further burdens on an already overtaxed populace and a stretched government.
- The removal of funds from the general economy reduces the overall health of the economy.



A High-Yield Investment Programme (HYIP), commonly referred to as a “Prime Bank Program” or “Prime Bank Financial Instrument,” is a type of unlicensed investment scam in which the con artists guarantee their victims’ annual returns of 100% or more.

- Government being compelled to spend valuable time creating and amending legislation to deal with fraud and related offenses rather than spending time on crucial matters like health care and education.

While there are several fraudulent schemes committed each year, this quarterly series will focus on a particular investment scheme known as the “High-Yield Investment Programme”.

What is a High-Yield Investment Programme (HYIP) and how do HYIPs work?

Have you sighted an online advertisement or a message on a social media platform promising unrealistically high returns quickly? Then, you might have seen a promotion for a HYIP.

A HYIP, commonly referred to as a “Prime Bank Program” or “Prime

Bank Financial Instrument,” is a type of unlicensed investment scam in which the con artists guarantee their victims’ annual returns of 100% or more. HYIPs are primarily multinational Ponzi scams that are made to look like extremely profitable investment opportunities. These frauds are actively monitored by the SEC.

There are no “banks” engaged and no “programs” in place in conventional HYIP frauds. The advertised “investments” are simply hypothetical. Profits from investing in legitimate possibilities and generating profitable returns are not legitimately achieved in an HYIP. If “investment returns” are offered to current or older investors, they are typically produced from money that new investors unwittingly put into the program. However, the program frequently offers no investment returns or payouts at all. When the phony investment period closes, the scammers just take the funds of as many investors as they can and vanish with the money.

Paul Burks’ ZeekRewards, a prime example of an HYIP, was shut down by the U.S SEC in August 2012. ZeekRewards provided investors with the chance to split the gains of the penny auction website Zeekler for returns of 125%. Investors were urged to let their profits multiply and to boost their earnings by enlisting new investors. A minimum initial investment of \$10,000 and a \$10 to \$99 monthly subscription charge were asked of investors. The SEC discovered that ZeekRewards was a \$900 million Ponzi scheme and that about 98% of the cash distributed was paid out of the pockets of new investors. In the end, Burks received a \$244 million fine and a 176-month jail term.



How to Recognize HYIPs

- HYIPs guarantee excessively high investment returns over a period, cautioning a minimal risk.
- HYIPs promise to provide investors with “referral fees” for introducing new investors.
- HYIPs rely mainly on social media to promote and disseminate information about their activities, such as online advertisements linked to a website that offers high-yield investment products or passive, high-yield savings accounts that will make you rich.
- Promoters offer scanty information regarding who oversees the business and how profits are made. This includes postings in web forums or on social media websites purportedly from the management of the HYIP that give technical updates and payment details.
- HYIPs are generally set up on a website and offer investments in legitimate

securities, like commodities, bonds, stocks, etc.

- Promoters offer online accounts with sophisticated e-commerce security, guaranteeing you safe and easy access to your money.

How to Protect Yourself

- Never risk more money than you can afford to lose. International operations may be involved in schemes, making it difficult, if not impossible, to get your money back.
- Before investing, make sure to verify with your securities regulator. These strategies mostly involve unregistered investment companies
- Do not put your faith in an investment only because members of your family or friends are involved or because it is related to your place of worship.
- Enquire about the promoters of the company and the process for making returns. Do not invest if you cannot get satisfactory answers to these questions.
- Investing is not something you should trust just because you see early results. Keep in mind that is how they trick you into recruiting your friends and family.

- The advice to “get in early and get out swiftly” should be taken with caution. Many HYIPs promote early investments and early withdrawals as a quick method to generate money, but you never really know when the plan will end.

Reporting Fraudulent Schemes:

SEC continues to execute on its mandate of protecting investors. While the Commission is actively monitoring our markets for frauds, illicit schemes, and other misconduct affecting Ghanaian investors, individuals can assist by reporting suspected securities fraud to the Commission.

We encourage anyone who suspects securities fraud to report it to the Securities and Exchange Commission's (SEC) online tip, complaint, and referral system at <https://www.sec.gov.gh>. You may call 0302-768 970/ toll-free number 0800100065 or send an email to info@sec.gov.gh.

Written by

MacNamara Peter-Brown,
Assistant Manager, Policy and Research, SEC

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

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Bank of Ghana. (2019). Banking Industry Fraud Report. Accra: Bank of Ghana. Retrieved August 15, 2022, from <https://www.bog.gov.gh/wp-content/uploads/2020/08/SUMMARY-OF-2019-FRAUD-REPORT.pdf>

Ofori, E. (2020). The effects of Ponzi schemes and revocation of licences of some financial institutions on financial threat in Ghana. *Journal of Financial Crime*. doi:10.1108/JFC-01-2020-0003

Report *Financial Crimes*

Be on guard. Report financial crimes to SEC



info@sec.gov.gh



0800100065

Toll-free line:

*Insider
Trading*

*Investment
Fraud*

*Ponzi
Schemes*

*Unlicensed
Operations*

*You can also report these activities
to the nearest police station*

04 ENFORCEMENT

Actions

1. INFRACTIONS AND PENALTIES

COMPANY	INFRINGEMENT	PENALTY (GH¢)
Apakan Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Black Star Brokerage Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
NTHC Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Prudential Stockbrokers Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Sarpong Capital Markets Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
SIC Brokerage Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Worldwide Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Impact Capital Advisers	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Oasis Capital Ghana Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
CAL Bank Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Consolidated Bank Ghana Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
GCB Bank Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Algebra Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Petra Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Strategic African Securities Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Teak Tree Brokerage Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Axis Wealth Management Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600



DeVere Ghana Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Grofin Ghana Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Injaro Investment Advisors Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
ARB Apex Bank Limited	Failed to comply with the provisions in Section 111(1) of the Securities Industry Act (Act 929)	3,600
Petra Securities Limited	Failed to comply with the provisions in Regulation 33 (1) (b) of L.I. 1728	600
Bullion Securities Limited	Failed to comply with the provisions of Regulation 33 (1) (b) of L.I. 1728	1,400
Obsidian Achernar Limited	Failed to comply with the provisions of Section 109 (2) of Act 929 and Section 120 (a) of Act 929	10,800
Serengeti Capital Market Limited	Failed to comply with the provisions of Regulation 33 (1) (b) of L.I. 1728	100
Fincap Securities Limited	Failed to comply with the provisions of Regulation 33 (1) (b) of L.I. 1728	400
HMI Management Services Limited	Failed to comply with the provisions of Regulation 33(1) (b) of LI 1728	400
Steward Capital Partners Limited	Failed to comply with the provisions of Regulation 33(1) (b) of LI 1728	400
Gateway Wealth Management Limited	Failed to comply with the provisions in Section 209 (4)(b) of the securities Industry (Amendment) Act 2016, Act 929	6,000
Avant Capital Limited	Failed to comply with the provisions of Regulation 33(1) of LI 1728	72,200
Serengeti Asset Management Limited	Failed to comply with the provisions of Regulation 33(1) of LI 1728	35,200
Ashfield Investment Managers Limited	Failed to comply with the provisions of Regulation 33(1) (a) of LI 1728	300
Boulders Advisors Limited	Failed to comply with the provisions of Regulation 33(1) (a) and (c) of LI 1728	1,800
Bora Capital Limited	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	3,000
Inter Trust Capital Limited	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	3,000
Linx Capital Limited	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	2,800
PhoenixAfrica Securities Limited	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	3,000
RAD Business Advisory Network Centre Ltd	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	3,000
Steward Capital Partners Limited	Failed to comply with the provisions of Regulation 33(1) (c) of LI 1728	2,000
Glorygate Capital Limited	Failed to comply with the provisions of Regulation 33(1) (a) of LI 1728	500
Nimed Capital Limited	Failed to comply with the provisions in Section 107(1) of the he Securities Industry (Amendment) Act 2016, Act 929	54,000
Fidelity Securities Limited	Failed to comply with the provisions in Part 3 Paragraph 13(1) of the Securities Industry (Conduct of Business) Guidelines 2020	12,000



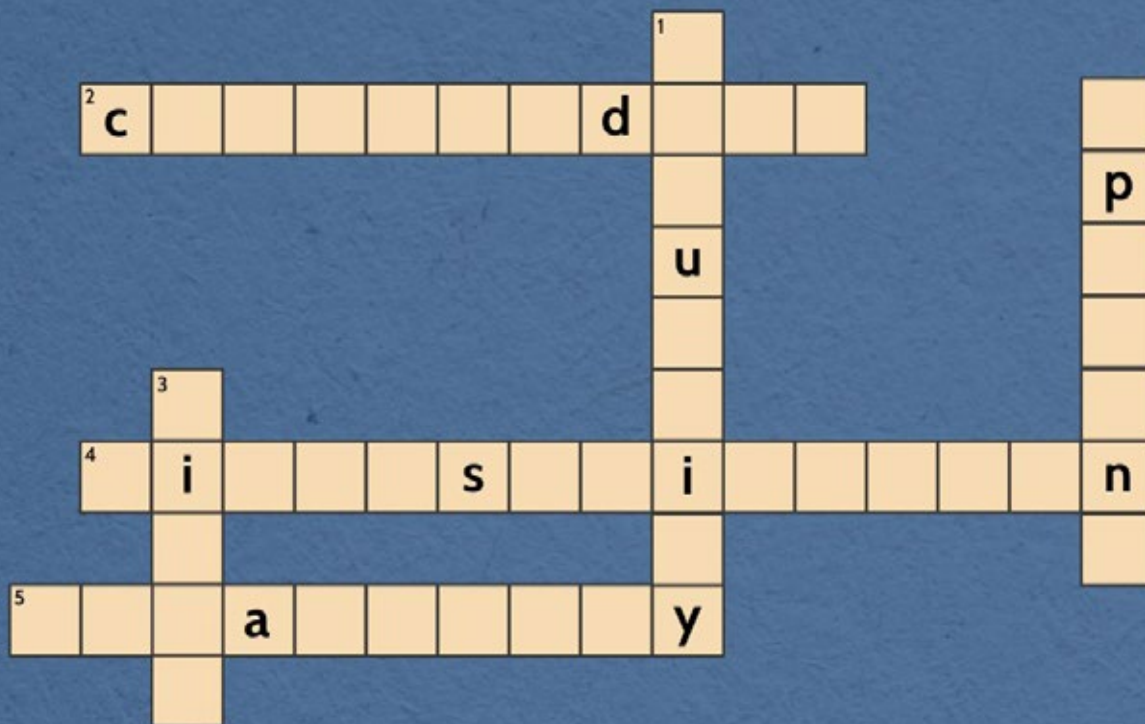
2. COMPLAINTS

Complaints received during the second quarter of 2022

PERIOD	COMPLAINTS RECEIVED IN THE QUARTER	COMPLAINTS RESOLVED IN THE QUARTER
Q3 2021	55	12
Q4 2021	46	49
Q1 2022	71	26
Q2 2022	37	62

The above complaints for the quarter were mainly related to non-payment of redemptions

Investment Terms Crossword Puzzle



Across

- 2. interest on interest
- 4. reduces exposure to one asset
- 5. how dramatically stock prices change

Down

- 1. an asset's ability to convert into cash
- 3. an income-only return on investment
- 6. a contract to buy/sell stock

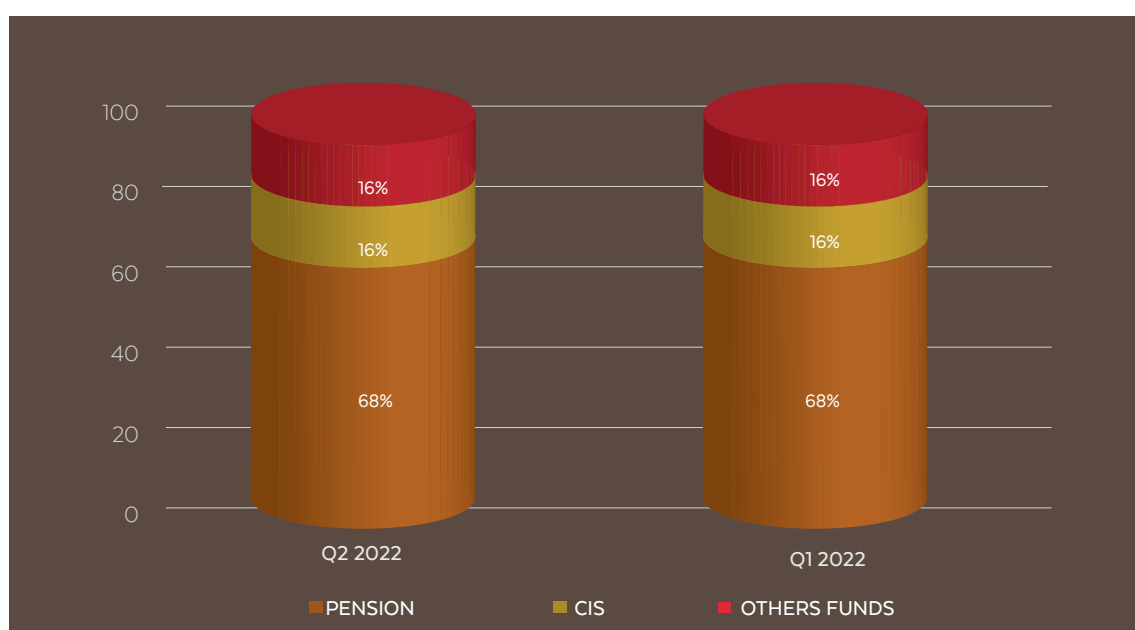
ASSETS UNDER MANAGEMENT (AUM)

Table: Assets under Management

AUM (GH¢)	END JUNE 2022	END MAR 2022	% CHANGE
Pension	32,957,745,941.32	32,472,140,452.63	1.50
CIS	7,775,451,257.27	7,807,001,772.27	-0.40
Other Funds	7,795,861,728.53	7,645,622,705.62	1.97
Total (GH¢)	48,529,058,927.12	47,924,764,930.52	1.26

*Adjusted values from custodians

Composition of Assets under Management





OFFERS & OTHER APPROVALS

1. List of firms licensed during the Second Quarter, 2022:

a. Approval of New Licenses

	MARKET OPERATOR	APPROVAL TYPE
1	Stanchart Wealth Management Limited	Investment Advisor

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

List of Approvals

	APPLICANT	APPROVAL TYPE	APPROVAL DATE	OFFER SIZE (GH¢)
1	Asante Gold Corporation	Secondary listing by Introduction	14-Apr-22	3.74B

3. Approval of Note Tranches

	ISSUER	TRANCHE NUMBER	AGGREGATE SIZE	SUBSCRIPTION (%)
1	Izwe Savings & Loans	A17	10M	250%
2	Daakye Trust Plc	D3	100M	119.18%
3	ESLA Plc	E6	159M	100%
4	Daakye Trust Plc	D3-B	25M	120%
5	Daakye Trust Plc	D3-C	25M	80%

4. Total Number of Credit Rating Agencies

1. Beacon Credit Rating Agency Limited

5. List of Audit Firms Registered with the Commission.

REGISTERED AUDIT FIRMS		REGISTERED AUDIT FIRMS	
1	Adom Boafo & Associates	13	John Allotey & Associates
2	Asafu-Adjaye & Partners	14	John Kay & Co.
3	At-Ernest Dawlah	15	Josten & Associates
4	Baft Chartered Accountants	16	KPMG
5	Baker Tilly Andah & Andah	17	Kwame Asante & Associates
6	BNA Chartered Accountants	18	Masaada Consultants
7	Boateng, Offei & Co.	19	MGI OAK Chartered Accountants
8	CFY Partners	20	Morrison & Associates
9	Deloitte & Touche	21	Resolute Consult
10	Ernst & Young Chartered Accountants	22	Suglo & Associates
11	Eureka B. A. Consult	23	Tabariyeng & Associates
12	IAKO Consult	24	UHY Godwinson



REGISTERED AUDIT FIRMS	
25	UHY Voscon Chartered Accountants
26	PWC
27	A.D. & Associates
28	AssuranceHub Consult
29	Aryeetey & Associates
30	K.E. Wood, Arthur & Co.
31	Edie Nikoi Accounting Consultancy
32	Forbes ET
33	Hab Consult
34	Loban Hyde Chartered Accountants

REGISTERED AUDIT FIRMS	
35	MBA Associates
36	OBS Accounting
37	AYK Associates
38	Audax Consult
39	K & A Accounting Services
40	BLA & Associates
41	Trust Assurance
42	EAK & Associates
43	Intellisys

Answer Key

Across

- 2. interest on interest
- 4. reduces exposure to one asset
- 5. how dramatically stock prices change

Down

- 1. an asset's ability to convert into cash
- 3. an income-only return on investment
- 6. a contract to buy/sell stock

Time with the **SEC**

Time with the SEC is a regional education campaign aimed at educating stakeholders about SEC, the Ghanaian Capital market and provide relevant updates on the industry



1. CAPITAL MARKET OPERATORS AS AT THE END OF SECOND (2ND) QUARTER 2022

	CATEGORY OF LICENSED OPERATORS	END JUNE 2022	END MAR 2022	CHANGE
1	Broker-Dealers	28	28	0
2	Custodians	17	17	0
3	Exchange Traded Funds	1	1	0
4	Investment Advisers	14	13	1
5	Fund Managers	85	85	0
6	Mutual Funds	48	48	0
7	Primary Dealers	12	12	0
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	10	10	0
13	Unit Trusts	32	32	0
14	Private Funds	2	2	0
15	Credit Rating Agency	1	0	1
	TOTAL	264	262	2

Source: SEC

2. STOCK MARKET STATISTICS AT A GLANCE

Indicators	END JUNE 2022	END MAR 2022	CHANGE
Number of Listed Companies (Main Market)	30	29	+1
Number of Listed Companies (Ghana Alternative Market)	6	6	0
Volume of Trades: Cumulative (Equities)	1,091,071,021	280,656,909	289%
Value of Trades (GH¢): Equities	1,061,594,861	301,850,157.39	252%
Market Capitalization (GH¢ million)	64,841.21	64,029.79	+1.27%
GSE- Composite Index (GSE-CI)	2,54548	2,742.85	-0.7%
GSE- CI YTD Returns (%)	-8.74	-1.67	-707 bps
GSE- Financial Stock Index (GSE-FSI)	2,176.97	2,174.96	+0.1%

Source: SEC and GSE



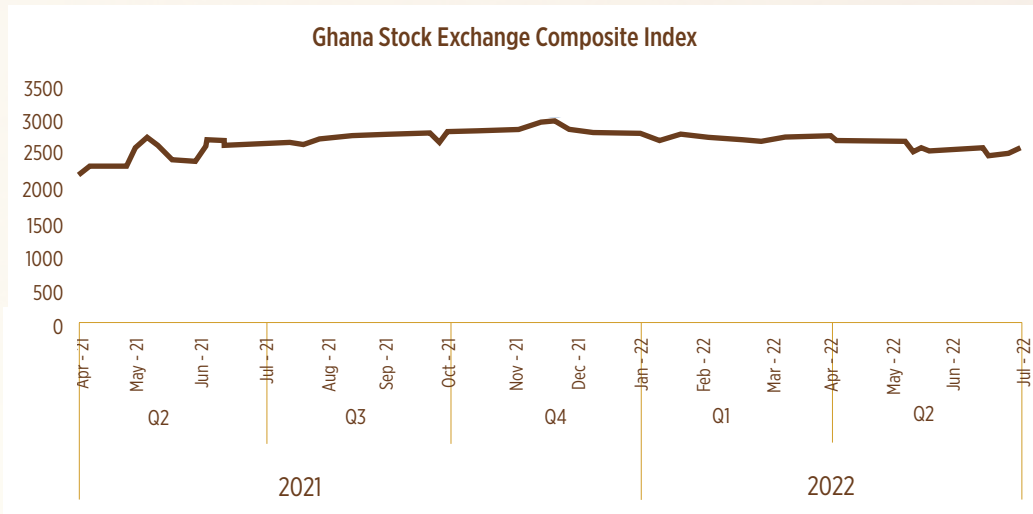
3. PERFORMANCE OF EQUITIES ON GHANA STOCK EXCHANGE AT THE END OF MARCH 2022

	NAME OF COMPANY	CODE	CLOSING PRICE (GH¢) END JUNE 2022	CLOSING PRICE (GH¢) END MAR 2022	CHANGE (GH¢ GAIN/ LOSS) END JUNE 2022
1	Access Bank Ghana PLC	ACCESS	2.51	2.09	0.42
2	Agricultural Development Bank PLC	ADB	5.06	5.06	0
3	AngloGold Ashanti Ltd.	AGA	37	37	0
4	Aluworks Limited	ALW	0.1	0.1	0
5	Asante Gold Corporation	ASG	8.87	N.A	N.A.
6	Benso Palm Plantation PLC	BOPP	6	6	0
7	Cal Bank PLC	CAL	0.8	0.86	-0.06
8	Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0
9	Camelot Ghana Ltd.	CMLT	0.11	0.11	0
10	Cocoa Processing Co. Ltd.	CPC	0.02	0.02	0
11	Dannex Ayrton Starwin Plc.	DASPHARMA	0.4	0.4	0
12	Ecobank Ghana PLC.	EGH	7.6	7.6	0
13	Enterprise Group PLC	EGL	3.3	3.3	0
14	Ecobank Transnational Inc.	ETI	0.17	0.17	0
15	Fan Milk PLC.	FML	3	3	0
16	GCB Bank Ltd.	GCB	5	5.16	-0.16
17	Guinness Ghana Breweries PLC	GGBL	2.25	2.25	0
18	Ghana Oil Company Limited	GOIL	1.81	1.82	-0.01
19	Mega African Capital Ltd	MAC	5.39	5.39	0
20	Scancom PLC	MTNGH	0.9	1.06	-0.16
21	PBC Ltd.	PBC	0.02	0.02	0
22	Republic Bank (Ghana) PLC	RBGH	0.6	0.6	0
23	Standard Chartered Bank Gh. PLC	SCB	20.3	20.3	0
24	SIC Insurance Company Ltd.	SIC	0.31	0.22	0.09
25	Societe Generale Ghana PLC	SOGEGH	1.18	1.19	-0.01
26	*** Sam Woode Ltd. ***	SWL	0.05	0.05	0
27	Trust Bank Gambia Ltd	TBL	0.44	0.4	0.04
28	Total Petroleum Ghana PLC	TOTAL	4.1	5.02	-0.92
29	Tullow Oil Plc	TLW	11.92	11.92	0
30	Unilever Ghana PLC	UNIL	5.89	5.89	0



NAME OF COMPANY		CODE	CLOSING PRICE (GH¢) END JUNE 2022	CLOSING PRICE (GH¢) END MAR 2022	CHANGE (GH¢ GAIN/ LOSS) END JUNE 2022
Ghana Alternative Market (GAX)					
31	Samba Foods Limited	SAMBA	0.55	0.55	0
32	Meridian Marshalls Holding Company	MMH	0.11	0.11	0
33	Hords Ltd	HORDS	0.1	0.1	0
34	Intravenous Infusions Limited	IIL	0.04	0.05	-0.01
35	Digicut Production & Advertising Ltd	DIGICUT	0.09	0.09	0
36	Pesewa One Plc	POP	0.68	0.66	0.02
Others (Depository and Pref shares, ETFs)					
37	AngloGold Ashanti Depository Shares	AADS	041	041	0
38	Standard Chartered Bank Pref. Shares	SCB PREF	0.9	0.9	0
39	NewGold Exchange Tradeable Funds (ETFs)	GLD	143	158.6	-15.6

Source: SEC and GSE



T

he benchmark Ghana Stock Exchange Composite Index (GSE CI) continued on a downward trajectory for a third consecutive quarter. The escalated inflationary pressures (+1,040bps, q/q) and currency depreciation (-2%, q/q, -16.9% ytd) had an adverse impact on investor sentiments, which led to the GSE CI shedding 197 points over the quarter (-7.2% q/q) to 2,545.48 points. Consequently, the GSE CI ended the first half of 2022 with a negative LCY return of

-8.74%.

The market's breadth was broadly negative with four gainers vis-à-vis eight laggards for the quarter. SIC was the star performer for Q2 2022, gaining 41% over the quarter on excellent FY 2021 financials. The company in its FY 2021 financials posted a +296% y/y increase in profit after tax, a sharp recovery from the 38% y/y decline recorded in the prior year which spurred on investor's

The benchmark GSE CI continued on a downward trajectory for a third consecutive quarter.

interest. ACCESS came in second place, recording some price recovery following the 34% q/q price decline recorded in the first quarter. Additionally, ACCESS declared its first dividend announcement on the GSE which also piqued investors' interest in the counter.



Q2 2022 GAINERS AND LAGGARDS

GAINERS	% GAIN (Q/Q)	GH¢ GAIN (Q/Q)	PRICE GH¢	LAGGARDS	% DECLINE (Q/Q)	GH¢ DE-CLINE (Q/Q)	PRICE GH¢
SIC	41%	0.09	0.31	IIL	-20%	-0.01	0.04
ACCESS	20%	0.42	2.51	TOTAL	-18%	-0.92	4.1
TBL	10%	0.04	0.44	MTNGH	-15%	-0.16	0.9
POP	3%	0.02	0.68	GLD	-10%	-15.6	143
				CAL	-7%	-0.06	0.8
				GCB	-3%	-0.16	5
				SOGEGH	-1%	-0.01	1.18
				GOIL	-1%	-0.01	1.81

Source: SEC & GSE

Despite the paucity of price changes with 26 counters remaining unchanged on a quarter-on quarter basis, trading activity remained upbeat. On the back of free-of-payment (FOP) transactions of 614 million shares of MTNGH in May 2022, the volume of shares traded spiked 189% q/q to 810.4 million shares valued at GH¢759.7 million (+152% q/q). MTNGH accounted for 99% of volumes traded and 98% of values traded. This

third FOP transaction in MTNGH ultimately pushed up the value of shares traded on the bourse for the half year, to a record high of GH¢ 1.06 billion (+245% y/y). MTNGH's FOP trades were driven by the management's drive to increase local ownership of the telecommunications company to 30% by the end of FY2022. This has seen the parent company - MTN Group - negotiate trades with local institutional investors to sell down its ownership in the company.

Ashanti Gold, an indigenous gold mining company, was listed by introduction on the main list of the GSE in June 2022. Thus, the bourse ended HY 2022 with 33 counters on the main list of the Exchange and 6 counters on the GAX. SWL remained suspended from the main list of the Exchange.

FIXED INCOME/DEBT MARKET

SELECTED TREASURY MARKET INDICATORS

INDICATOR	END JUNE 2022	END MAR 2022	CHANGE
91- day T-Bill Rate	24.15%	14.14%	+1001 bps
182- day T-Bill Rate	25.55%	14.51%	+1104bps
364- day T-Bill Rate	27.14%	17.10%	+1004 bps
Interbank Interest Rate	20.70%	16.00%	+470 bps
CPI Inflation	29.80%	19.40%	+1040 bps
Monetary Policy Rate	19.00%	17.00%	+200 bps

Source: BoG



Investors, rattled by the sharp rise in inflation which snowballed to 29.8% y/y in June 2022 (the highest inflation rate in almost two decades) and the steep currency depreciation YTD, demanded significant risk-adjusted premiums on fixed-income securities. Consequently, the interest rates on the 91-day (+1001 bps q/q), 182-day (+1104 bps q/q) and 364-day bills (+1004 bps q/q) all increased significantly across the quarter. The situation

was further exacerbated by concerns on government debt sustainability, weakened fiscal position and the impending IMF bailout programme.

The demand for money market securities (GH¢13.36 billion tendered) fell short of the second quarter's 91 day to 365 day auction target of GH¢16.92 billion, resulting in a bid to target coverage of 0.79x. Almost all bids

tendered were accepted leading to a bid-uptake coverage of 0.95x. Notably, the last two auctions in the quarter saw the government accepting bids beyond the auction target, a reversal from the May 2022 trend of demand falling widely below the auction target, as government sought to take advantage of the improved demand to build up buffers for subsequent auctions and maturities.

TOTAL OUTSTANDING CORPORATE SECURITIES ON THE GFIM

ISSUER	AS AT JUNE 2022 (GH¢)	AS AT JUNE 2021 (GH¢)
Izwe Loans Ltd.	97,000,000	56,000,000
Letshego Ghana	298,690,000	229,330,000
Bayport Financial Services	188,145,360	349,680,000
ESLA Ltd.	9,019,070,735	7,629,522,362
Bond Savings & Loans Ltd.	70,400,000	70,400,000
Quantum Terminal Ltd.	25,000,000	40,000,000
Dalex Finance Company	20,000,000	20,000,000
Daakye Trust Plc.	2,622,531,961	1,985,826,823
TOTAL	12,340,838,056	10,380,759,185

Source: BOG

On the secondary market, investors traded GH¢60 billion on the GFIM in 2Q 2022 (-7% q/q) pushing the volume traded on the GFIM for 1H2022 to GHS124 million. Trades in Government securities accounted for 87% of trade volumes, a significant decline from the 91% share recorded in Q1 2022. Trade activity in corporate securities accounted for the remaining 13%. Activity as usual was led by resident investors with non-resident holding of outstanding debt declining further to ~16.7% (Mar 2022: 17.03%, 2021 average: 20.15%)

ostensibly due to concerns about the currency's depreciation and debt sustainability. At the end of the quarter, the Ghana Fixed Income Market (GFIM) had 198 listed debt securities (Mar 2021: 194 securities) comprised of 41 corporate bonds, 91 Ghana Government (GOG) bills & notes, 57 Ghana Government (GOG) bonds and 9 Eurobonds.

There are currently 41 outstanding corporate bonds on the GFIM by 8 issuers with an outstanding value of GH¢12.3 billion.

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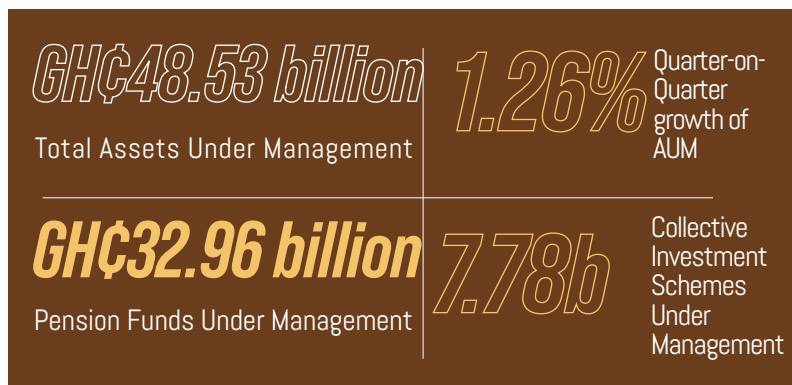


FUNDS MANAGEMENT INDUSTRY

The total assets under management (AUM) at the end of the first half of 2022 was GH¢ 48.53 billion, representing a 1.26% quarter-on-quarter growth. The total assets under management are made up of pension funds (GH¢ 32.96 billion), collective investment schemes (GH¢ 7.78 billion) and other funds (GH¢ 7.80 billion).

Market Analysis by Afua Mensa-Bonsu, Assistant-Manager, Policy and Research, SEC

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UPDATE ON MINIMUM CAPITAL REQUIREMENTS FOR LICENCED OPERATORS IN GHANA'S CAPITAL MARKET

The minimum capital requirement for firms in the industry can be found under Schedule 4 (Page 24 of LRG) of the licensing requirements guideline.

Summary of Minimum Capital Requirements for Market Operators

REGULATED ACTIVITY	MINIMUM CAPITAL (GH¢)	MARKET OPERATORS WHO HAVE MET THE MINIMUM CAPITAL REQUIREMENTS (JUNE 2022)
Broker-Dealer	1,500,000	27 out of 28
Clearing House	50,000,000	No Licensees
Credit Rating Agency	1,000,000	1 out of 1
Custodian	50,000,000	17 out of 17
Fund Manager	2,000,000	58 out of 85
Investment Adviser (Corporate)	1,000,000	11 out of 14
Investment Adviser (Individual)	200,000	No Licensees
Issuing House	1,000,000	10 out of 10
Margin Trader	2,000,000	No Licensees
Market Maker	3,000,000	No Licensees
Nominee	1,000,000	No Licensees
Primary Dealer	400,000,000	12 out of 12
Registrar	1,000,000	3 out of 4
Securities Depository	50,000,000	1 out of 1
Securities Exchange	10,000,000	2 out of 2
Trustee	50,000,000	7 out of 7
Underwriter	2,500,000	No Licensees

SUMMARY OF FINANCIAL DATA

DEBT MARKET (MONTHLY AVERAGE RATES)

TREASURY INSTRUMENTS (INTEREST EQUIVALENT)		Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr -22	May 22	Jun 22
91-Day Bill	% p.a	13.02	12.81	12.78	12.65	12.56	12.49	12.47	12.46	12.48	12.49	12.55	12.82	13.49	16.22	19.05	24.15
182-Day Bill	% p.a	13.78	13.58	13.54	13.40	13.37	13.27	13.20	13.16	13.17	13.19	13.21	13.27	13.76	16.72	20.43	25.55
364-Day Bill	% p.a	16.70	16.49	16.45	16.34	16.36	16.20	16.12	16.24	16.28	16.46	16.70	16.97	17.01	18.93	22.20	27.14
2-Year Note	% p.a	17.60	17.60	17.60	17.60	17.25	17.25	17.50	17.50	20.00	19.75	19.75	19.75	19.75	19.75	21.50	21.50
3-Year Bond	% p.a	17.70	17.70	17.70	17.70	17.70	17.70	17.70	19.00	19.00	19.00	20.50	20.50	20.50	20.85	25.00	25.00
5-Year Bond	% p.a	18.30	18.30	18.30	18.30	18.30	18.30	18.30	18.30	18.30	21.00	21.00	21.00	20.75	20.75	22.30	22.30

SECONDARY MARKET

6-Year Bond	% p.a	18.39	18.51	18.25	17.27	18.20	18.42	18.46	20.14	20.63	20.81	21.19	20.68	21.11	21.50	25.78	30.84
7-Year Bond	% p.a	17.74	17.71	18.35	17.56	18.75	18.63	18.94	20.38	20.82	21.01	21.25	20.51	21.28	21.66	26.63	30.84
10-Year Bond	% p.a	18.90	19.30	19.28	18.37	19.36	19.36	19.35	20.85	20.83	20.90	20.20	21.01	21.20	21.74	22.69	32.60
15-Year Bond	% p.a	19.54	19.69	19.70	19.20	19.38	19.36	19.49	20.64	20.97	21.38	21.37	21.27	21.45	21.80	26.86	30.78
20-Year Bond	% p.a	19.77	20.10	19.96	19.39	19.65	19.64	19.59	20.74	21.11	20.85	22.00	21.23	21.59	21.73	27.43	31.07
Volumes Traded	billion GH¢	26.68	15.90	13.57	18.16	19.46	13.90	14.08	17.56	19.70	16.51	16.68	19.33	28.13	17.83	17.31	24.92
Non-Resident Holding	%	24.56	24.52	23.67	23.44	23.23	23.19	21.80	20.45	19.73	19.07	17.97	17.57	17.03	17.31	17.12	16.66

Sources: BOG, GFIM, CSD

STOCK MARKET INDICATORS

INDICATOR	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22
GSE Composite Index (GSE-CI) (Points)	2,213.3	2,561.4	2,421.1	2,643.7	2,717.3	2,750.4	2,855.3	2,864.3	2,866.8	2,789.3	2,766.8	2,696.4	2,742.9	2,691.2	2,554.8	2,545.5
GSE Financial Stock Index (GSE-FSI) (Points)	1,845.9	1,877.1	1,902.9	1,871.4	1,890.2	1,929.2	2,055.2	2,082.1	2,091.4	2,151.8	2,131.9	2,119.0	2,175.0	2,209.7	2,792.6	2,177.0
GSE Capitalization (Billion GH¢)	57.2	60.8	59.3	61.3	62.2	62.9	64.2	64.3	64.5	64.5	64.1	62.9	64.0	63.8	62.3	64.8
Volume traded (Million GH¢)	57.7	29.8	58.9	37.47	22.42	20.7	30.4	23.3	30.7	31.99	34.58	31.11	214.97	105.1	657.1	1,019.1
Value traded (Million GH¢)	48.5	31.1	72.7	50.3	33.7	27.5	42.4	34.2	44.4	43.6	38.28	26.43	237.14	107.2	607.3	1,061.6

Sources: GSE

ASSET UNDER MANAGEMENT (BILLION GH¢)

INDICATOR	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
CIS AUM	3.40	3.70	6.72	7.44	7.81	7.77
Others AUM	4.99	4.79	6.89	7.32	7.65	7.79
Pensions AUM	22.80	25.54	26.46	29.72	32.47	32.96
Total AUM	31.19	34.03	40.08	44.49	47.92	48.53

Sources: SEC



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