



"ENSURING INVESTOR PROTECTION"

SEC *News*

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Capital Market Conference held in Accra



The first-ever Capital Market Conference in Ghana was hosted by the SEC in May at the Ghana College of Physicians and Surgeons, Accra under the theme "The Capital Market: A key to Economic Growth and Development". It was sponsored by the Ministry of Finance under the Financial Sector Reform (FSR) component of the Economic Management and Capacity Building (EMCB) project.

Over the years, the statutory regulator of the capital market has employed various educational tools including the observance of a Capital Market Week to create awareness and educate the public about the capital market in Ghana. This year, a capital market conference was held as part of the annual event. The conference brought together capital market operators, academicians, think tanks, policy makers, key stakeholders in the industry, and regulators from neighbouring jurisdictions to discuss issues aimed at developing Ghana's capital market. Specifically, the event sought to generate and sustain investor interest and participation in the capital market, and to augment the commitment of policy makers to capital market development.

The keynote address was delivered by the Deputy Minister of Finance and Economic Planning, Honourable Ato Forson. Other speakers at the event included the Governor of the Bank of Ghana, the Chief Executive Officers of the Capital Market Authority, Kenya and SEC Nigeria. There were also representations from the University of Ghana Business School, the Ghana Stock Exchange, the Institute of Chartered Accountants (Ghana), the Ghana Bar Association as well other financial regulatory bodies.

To facilitate the development of the capital market the following

suggestions among others were made:

- Government should consider instituting a Capital Market Local Content policy which will require companies operating in specified sectors of the economy to float part of their shares on the GSE after five years of their operations.
- Government should encourage state owned companies and statutory bodies to utilize the local bond market to raise capital for their operations.
- Government should encourage well-resourced local government authorities to issue municipal bonds to raise capital to undertake self-financing development projects.
- Government should consider financing the nation's infrastructural needs with private sector capital through the issue of infrastructure bonds.
- Government should consider granting tax incentives to encourage long term savings.
- Government should consider waiving stamp duty on increase in stated capital or reducing drastically the rate for listed companies.
- Measures including increased capitalization, sound regulation and supervision, promotion of micro insurance, and public education in the insurance industry should be undertaken to deepen insurance penetration as a catalyst to greater mobilization of domestic savings.
- The practice of good corporate governance should be promoted in the market.
- Sound financial reporting and disclosure practices should be promoted in the market.
- Education of investors, entrepreneurs, issuers, policy makers and the larger general public should be step up and sustained.

The Deputy Minister of Finance, on behalf of government pledged government's continued support in developing a capital market that is transparent and robust to support the country's agricultural, industrial and infrastructural development.



2013 Capital Market Week

This year's Capital Market Week was held in Accra from May 4th – May 10th under the theme "The Capital Market: A Key to Economic Growth and Development." It was organized by the Securities and Exchange Commission (SEC) in collaboration with the Ghana Stock Exchange and the Ghana Securities Industry Association.

The week was marked with a series of fun and educational activities aimed at creating awareness about the capital market in Ghana. It began with a media launch at the International Press Conference Center on April 29th 2013. Other activities included a health walk, a workshop for the Association of Ghana Industries and symposia in various 2nd cycle institutions.

In his remarks at the media launch, the Director-General of the SEC, Mr. Adu A. Antwi stated that SEC has since the commencement of operations been using various educational tools such as outreach programmes, mass media, individual interactions to educate the public about the workings of the capital market and how it can benefit individuals in wealth creation and companies and Government in raising capital.

He said the capital market week, (previously known as the "Securities Week"), which was formally instituted in 2007 has greatly helped to educate a large number of Ghanaians on how to create wealth using the capital market as a means of investment. He indicated that from 2009 to 2011 the week was subdued under the broader Financial Literacy Week celebrations under the auspices of the Ministry of Finance and Economic Planning in collaboration with all the Financial Regulators in Ghana, but in 2012, the SEC decided to re-institute the week so as to enable the SEC reach out to the general public on investment and other capital market issues

in a more sustained manner.

In his remarks at the opening of the week, the Chairman of the SEC, Prof. E. V. O. Dankwa noted that the Jubilee Oil field recently discovered and developed in Ghana highlights the critical role of capital in the cycle of development of an enterprise and of a nation. He said that GNPC, Tullow Oil, Anadarko and its partners have raised billions of dollars in the global capital markets to develop the fields into the national treasure that they have become today. As a direct result of the capital raised and invested, he noted that economic growth in Ghana has recently been among the highest of any Sub Saharan African country.

He however indicated that it was instrumental to note that of the billions of dollars raised in this endeavour, only a tiny fraction was sourced from the Ghanaian Capital Markets as a result of the limited depth and liquidity of our local markets. He stated that efforts at the SEC were focused on continuing to develop our markets to the extent that local entrepreneurs can fully fund their businesses by tapping into the Ghanaian equity and debt capital markets. Providing more capital to entrepreneurs, he noted, will certainly increase Ghana's ability to capitalize on our rich natural resources, immense human capital and will drive further economic growth in the years to come.

The highpoint of the week was a two-day capital market conference, the first-ever held in Ghana, which brought together policy makers, parliamentarians, academicians and industrialists to discuss issues relating to the development of the capital market in Ghana. The week ended with a Dinner-dance at the Movenpick Hotel in Accra.

Annual Meeting And Conference Of The Emerging Market Committee Of IOSCO Held In Panama

The Annual Meeting and Conference of the Emerging Market Committee (EMC) of IOSCO took place in Panama from 21st - 23rd May 2013. Several countries participated including the Securities and Exchange Commission (SEC), Ghana which was represented by a Commissioner, the Director-General and the Head of Legal and Enforcement. The meeting held on 21st May 2013 was opened to member countries only and discussed among other things,

- a) The election procedure of the EMC
- b) Presentations by two candidates vying for the position of EMC Chair

A roundtable discussion was then held on the topic "Emerging Risks, Barriers to Development and Key Regulatory Priorities in the EMC Securities Markets / why some markets are developing faster than others"

After the roundtable discussion, further discussions were held on the future role of the EMC as well as the presentation of the Chairman and the Secretary General's Reports.

Reports of the committees on Issuer Accounting/Audit and Disclosure, Regulation of secondary markets, Credit Rating Agencies and Commodity on Futures Markets, were also discussed.

The second day of the meeting was devoted to panel discussions which were opened to the general public on the following topics:

- a) The impact of Global Regulatory Reforms on Emerging Securities Markets;
- b) The impact of High Frequency Trading and Algorithmic Trading on Emerging Markets;
- c) Are we really restoring confidence in the Global Financial System? Is the Global Institutional Framework able to do the job?
- d) Are Global Standards in Commodities Derivatives Markets fit for the purpose?

The meeting was climaxed on 23rd May 2013 with two workshops for IOSCO Members. The first workshop was on the issue of Risk Based Supervision whilst the second workshop was on Financial Market Infrastructure and Risk Management.

Elections were also held for the positions of EMC chair and vice chair with Datuk Ranjit Ajit Singh, Managing Director of the Securities Commission, Malaysia, emerging as the new Chairman of the EMC. Mr Bert Chanetsa, Deputy Executive Officer for Capital Markets at the Financial Services Board (FSB), South Africa was elected as the Vice Chairman.

The next EMC Meeting and Conference is scheduled to take place in Luxembourg from 15th – 19th September, 2013.

Health Walk



The Securities and Exchange Commission organized a Health Walk on Saturday, May 4th as part of a series of activities marking this year's Capital Market Week. The walk brought together members of the investment community, staff and commissioners of the SEC as well members of the public who decided to join in the fun. With a brass band in tow, the group marched through the principal streets of Cantonments, Osu and Accra, and finally ended at the office premises of the SEC where the walk began earlier that morning.

It was aimed at creating awareness about a healthy lifestyle among securities market practitioners whose work is usually sedentary; and to the public about the capital market. The event which saw the participation of children as well was truly a family affair.

Mr. Charles Okine of Graphic Business Newspaper, official sponsors of the event, pledged his organisation's support to the SEC in its capital market development agenda, while the Director-General of SEC, Mr. Adu Anane Antwi thanked participants and underscored the need to maintain a healthy lifestyle.

Training and Capacity Building of SEC Staff

Regional Course on International Financial Reporting Standards (IFRS)

Mr. Eric Eduboah of the Audit and Risk Department attended a regional course on International Financial Reporting Standards (IFRS) organized by the West African Institute for Financial and Economic Management (WAIFEM) in Lagos, Nigeria from June, 24-28, 2013.

The course was to acquaint participants with the provisions of the IFRS and equip them with the necessary knowledge and skills to advise and guide the process of migrating to IFRS. It focused in particular on the practical implementation of the IFRS in the preparation of financial statements.

Seminar on Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT)

A one-day seminar on Anti-Money Laundering and Counter-Financing of Terrorism was held for senior officials of the SEC on May 3, 2013 in Accra. The seminar was organized by the Financial Intelligence Center and the Bank of Ghana in conjunction with the US Treasury, Office of Technical Assistance, Economic Crimes Team. There were topics on the AML/ CFT Risks Methodology, AML/CFT

Compliance Process for the Securities Industry and Suspicious Transaction Reporting.

Staff Training at the US SEC International Institute

Three staff of the Commission, Mr. Emmanuel Ampofo Larbi, Mr. Maxwell Gidi and Mr. Robert Quaye attended a nine day intensive training program at the US SEC International Institute in Washington from the 13th – 26th of April 2013.

The SEC staff were trained how to investigate and prosecute securities law violation, how examiners might prepare for and conduct broker-dealer examinations and how an examiner might prepare for and conduct a review of certain conflicts of interest found within a hedge fund environment by looking at potential risk areas, control procedures such as compliance, operational controls, and disclosures. The staff were also trained on specific interest areas such as identifying and investigating insider trading and financial accounting fraud.

Gold Coast Securities Limited (GCSL) Launches Its 20th Anniversary Celebrations.

Gold Coast Securities, a full-service securities broker-dealer and registered investment adviser has launched a yearlong program of activities to mark its 20th year of operation this year. Present at the launch were the President of Group Ndoum, Dr. Papa Kwesi Nduom and his vice, staff of the company and its affiliates, clients, the investment community and the media.

Board Chairman of the company, Mr. Abaka Jackson, paid tribute to the founder and his wife through whose vision and hard work the company has grown from a small office in Accra to one with branches in the 10 regions of the country.

He also thanked customers, the board of directors, management and staff for their support and dedication through the years.

The Director-General of the Securities and Exchange Commission (SEC), Mr. Adu Anane Antwi, who was a guest speaker at the launch, praised the efforts and contributions of the company to the securities business in the country.

He added that the Commission is currently taking steps to set up a Ghana Alternative Exchange to help small scale companies raise capital from the international

capital market and further advised that young people be encouraged to invest in the stock market rather than expend their resources on frivolous items.

The Head of Research of the company, Mr. Samuel Kofi Ampah, outlined some of the activities earmarked to climax the celebration. Amongst the activities lined up by the company are a Financial Literacy Week to be held in all ten regions of the country, a Business dialogue on the economy, Family fun games, Client month celebration in July, Corporate social responsibility activities, Golf tournaments, an awards night and a thanksgiving service.

Incorporated in 1993, GCSL was the second investment bank to be set up in the country. It has a long history as a stable, strong, local and personal investment bank. GCSL started with a branch in Accra and immediately opened branches in Ashanti and Western Regions.

Mr. Ampah said the company is currently the only investment bank with a nationwide presence with plans to establish a branch in the Eastern Region to climax the 20th anniversary.

SEC Organises Child Finance Day

"As part of the 2013 Capital Market Week, the Securities and Exchange Commission in collaboration with the Youth Investor Network and under the auspices of HFC Bank organized a Child Finance Day on May 31, 2013.

The Child Finance Day, the first of its kind was aimed at educating students of Junior and Senior High Schools about the importance of early savings for a secure financial future. The event was held at three separate locations namely Accra Academy, Labone Senior High, and Tema Senior High Schools where students from neighbouring schools converged. Participating schools included St. Margaret Mary, Hotcass, Osu Presec, Nungua Senior High, Accra High, Salvation Army JHS, Creator JHS, Anson Senior High as well as the host schools. A total of 1,815 students and teachers were in attendance.

Speakers at the program included Mr. Paul Mantey, Mr. William Mensah and Mr. Emmanuel Darko, all patrons of the Young Investor Network. There were also speakers from the SEC, who explained to the students the role of the regulator in protecting the investor. The HFC Bank, sponsors of the programme took the opportunity to introduce students to their Enidaso Account, which is a banking account uniquely tailored to the needs of the youth.

The Students were very grateful for the opportunity granted them to participate in the programme and were optimistic about developing a savings culture for a secure financial future.

An interactive website, www.childfinanceclubghana.org, has been developed to enable students and the general public learn more about the techniques of stock market investing.



IFS Launches 3 Unit Trusts onto the Ghanaian Investment Market

IFS Capital Management Limited, an asset management firm on 3rd June 2013 introduced three new Unit Trust Schemes into the capital market.

The investment schemes are the; Legacy Unit Trust, Richie Rich Unit Trust and My Wealth Unit Trust. Legacy Unit Trust will provide long term growth of capital for clients. The My Wealth Unit Trust provides reasonable returns with low to moderate risk and the Richie Rich Unit Trust provides a high and increasing level of income for pupils in Basic, Junior and Senior High schools.

Chief Executive Officer of IFS Capital, Kojo Ohene-Kyei said the introduction of these schemes is an opportunity for people to protect their future financially. He said these products have been carefully designed with customers in mind; "fulfilling your [clients] aspirations through our products and services has been our dream leading to the birth of these collective schemes".

The Director-General of the SEC, Mr. Adu A. Antwi, who was the guest speaker noted in his address that funds under management in the collective investment schemes industry stood at GH¢ 274,457,564.84 as at the end of March 2013. He stated that there were 30 licensed schemes operating in the country and the SEC continues to receive applications for the licensing of new schemes. To enable all these funds find investment products to invest in, he said there was the need to create more products on the market and hence the SEC was putting so much effort in the development of the market.

2nd Africa Congress of Accountants held in Accra

The Institute of Chartered Accountants (Ghana) recently played host to the second Africa Congress of Accountants (ACOA) at the Accra International Conference Centre from 14th to 16th May 2013, under the auspices of the Pan Africa Federation of Accountants (PAFA). The theme for the Congress was "Africa's economic growth, accountability and democracy."

The Director-General of the SEC, Mr. Adu Anane Antwi gave a presentation at the Congress on the topic "Strengthening Financial Markets and Institutions in Africa". He contended that as the world economy becomes more complex and interlinked, it is necessary for financial institutions to evolve to meet the new challenges. He encouraged policy-makers and regulators in the region to share lessons, experiences and challenges as a way to strengthen their financial markets and institutions, and ultimately lead to greater financial stability in the region.

Knowledge Bank

Smart Questions to Ask When Beginning an Investment

There are some important questions everyone should ask themselves when considering an investment plan. One of such questions which we would explore is:

Where Am I in my Life Cycle?

Where you are in your life cycle in terms of career, financial and personal goals would determine how much money you have available to invest and how you would invest that money. For instance,

1. Are you just starting out in your career?

This may mean your first full-time job, and your first real opportunity to save on a sustainable basis. A young graduate starting out in a career may also have some specific financial obligations to meet, such as school loans to repay, rent for an apartment, and/or a car to purchase. This may substantially reduce your ability to save. Nonetheless, if your company participates in any payroll deduction plans such as a provident fund for its employees or a Credit Union, it presents an excellent opportunity for you to save. Since the money is deducted at source, you tend not to miss it and accumulating savings becomes practically painless. If your company does not offer any such plans or if you are self-employed, you can still start an investment program by opening a savings account at the bank, and having your bank transfer as little as ₵50 automatically each month from your current account into your savings account.

2. Are you in your thirties or forties?

As you get older, the emphasis tends to shift towards accumulating funds to buy a home. Again, payroll deductions can be very useful, particularly those that also offer loans to their members/ employees. At this stage, you may also want to make investments towards your children's education and your future retirement. You should begin to look into annuities and/ or life insurance policies.

3. Are you in your fifties?

Most people in their fifties are past the initial stages of buying a home and paying for their children's education, and the focus shifts more heavily towards retirement. As the children leave home, there may be an increase in cash flow available for investment purposes. However, you may also be at your peak earning stage now and need to carefully consider this in your financial decision-making. This is certainly not a time for lavish expenditures or high-risk investments. You may want to consider the following investment options: mutual funds/ unit trusts, life insurance policies, provident funds or pension plans.

At this stage, it may also be appropriate to begin thinking in terms of life after retirement, and whether you might need supplemental income through a home-based business or a consultancy.

4. Are you in your sixties?

Retirement becomes more of a reality at this stage. This is the time to begin reviewing all of your investments to determine just how much investment income you will be receiving when you retire, and to make necessary adjustments regarding those investments. Plan toward a long retirement. It is better

to have enough investment income to take care of you well into your 90's and die before reaching that age, than to make provision for only a decade after retirement (say, age 70) and live long past it. You should continue making investments in less risky, fixed-income plans at this stage.

Whether you are in your twenties or sixties, you can benefit from investing. Where you are in your life cycle however greatly influences your financial needs and goals. Take some time to evaluate it today, then talk to your investment advisor and begin an investment program now for a happy, secure financial future.

Courtesy: "Smart Questions to Ask your Stockbroker"

Sirius Capital Launches Opportunity Fund at the Best Western Hotel in Accra

Sirius Capital Limited has launched the Sirius Opportunity Fund, its first mutual fund focused on high-yielding fixed income instruments in both developed and emerging markets to create wealth for its clients. The launch was held on May 6, 2013 at the Best Western Hotel in Accra.

In his address, the Director-General, Mr. Adu A. Antwi, who was the guest speaker stated that collective investment schemes offer an opportunity to all investors, including those with limited funds to have access to a diversified portfolio of investments, and the SEC believes that they constitute one of the investment vehicles that would facilitate the growth of the capital market in Ghana. He stated that to further develop the industry, the SEC was working on rules to promote the development of real estate investment funds.

The Sirius Opportunity Fund (SOF) is an open-ended money market mutual fund and it is professionally managed by experts in the money market industry. With a minimum of GH¢20 at 50 pesewas per share, one can be part of the 600,000 units on offer in the initial public offer.

In his speech, the managing Director of Sirius Capital Ltd. Mr. Franklin Benefo stated that the company was committed to giving shareholders varying opportunities for long-term portfolio growth.

"Early Bird" for the Quarter



Ms. Joanna Odoom of the Policy, Research and IT Department has been adjudged the most punctual employee for the period April - June 2013. SEC news congratulates Ms. Odoom on being the "Early Bird" for the quarter.

Enforcement Actions

During the quarter under review the following companies were sanctioned in accordance with the Securities Industry Act as amended for various violations under the law.

Company	Infringement	Penalty (GH¢)
Canal Capital Ltd.	Late Submission of 2012 Annual Financial Statement	2,900
Apex Capital Ltd.	Late Submission of Management Letter	2,900
Emerging Market Ltd	Late Submission of Management Letter	1,200
First Atlantic Asset Management Ltd.	Late Submission of Management Letter	3,000
Brooks Asset Management Ltd.	Late Submission of Management Letter	1,700
Access Bank	Late Submission of 2012 Financial Statement	4,300
NTHC Ltd.	Late Submission of 2012 Financial Statement	4,300
Gold Coast Securities Ltd.	Late Submission of 2012 Financial Statement	4,300

Stock Market Statistics

	End March 2013	End June 2013	% Change
<i>Number of Listed Companies</i>	34	34	-
<i>Volume of Trades</i>	68,121,925	35,423,358	-48%
<i>Value of Trades (GH¢)</i>	71,532,210.44	20,740,371	-71%
<i>Market Capitalization (GH¢Million)</i>	57,740.56	55,924.82	-3.1%
<i>GSE-Composite Index</i>	1,733.47	1,880.26	8.5%
<i>GSE-Financial Stock Index</i>	1,551.80	1,591.17	2.5%

Capital Market Operators

Category of Licensed Operators	Number (End March 2013)	Number (End June 2013)	Change
<i>Broker-Dealers Only</i>	23	23	-
<i>Investment Advisors (Advisory Only)</i>	3	3	-
<i>Investment Advisors (Advisory & Fund Mgt.)</i>	71	71	-
<i>Trustees</i>	3	3	-
<i>Custodians</i>	17	17	-
<i>Registrars</i>	4	4	-
<i>Securities Depositories</i>	2	2	-
<i>Stock Exchange</i>	1	1	-
<i>Mutual Funds</i>	18	18	-
<i>Unit Trusts</i>	13	13	-
<i>Issuing House</i>	1	1	-
<i>Primary Dealers</i>	15	15	-
<i>Exchange Traded Funds</i>	1	1	-
TOTAL	172	172	-

Performance Of Equities on the Ghana Stock Exchange

Name of Company	Closing Price(GhC) March 2013	Closing Price(GhC) June 2013	Gain / (Loss) (GhC)
1. African Champion Ltd.	0.06	0.06	-
2. AngloGold Ashanti Ltd.	37.00	37.00	-
3. Aluworks Limited.	0.07	0.06	(0.01)
4. Ayrton Drug Manufacturing Ltd.	0.17	0.17	-
5. Benso Oil Palm Plantation.	3.26	3.00	(0.26)
6. Cal Bank Ltd.	0.54	0.82	0.28
7. Clydestone (Ghana) Ltd.	0.04	0.04	-
8. Camelot Ghana Ltd.	0.16	0.16	-
9. Cocoa Processing Co. Ltd.	0.02	0.02	-
10. Ecobank Ghana Ltd.	4.77	4.40	(0.37)
11. Enterprise Group Ltd.	0.70	1.12	0.42
12. Ecobank Transnational Inc.	0.22	0.19	(0.03)
13. Fan Milk Ltd.	5.45	5.80	0.35
14. Ghana Commercial Bank Ltd.	3.22	4.56	1.34
15. Guinness Ghana Breweries Ltd.	3.55	4.42	0.87
16. Ghana Oil Company Limited.	1.04	1.25	0.21
17. Golden Star Resources Ltd.	2.75	2.75	-
18. Golden Web Ltd.	0.04	0.04	-
19. HFC Bank (Ghana) Ltd.	0.52	0.55	0.03
20. Mechanical Llyod.Co. Ltd.	0.23	0.26	0.03
21. Pioneer Kitchenware Ltd.	0.06	0.06	-
22. Produce Buying Company Ltd.	0.22	0.24	0.02
23. PZ Cussion Ghana Ltd.	0.26	0.39	0.13
24. Standard Chartered Bank Gh. Ltd.	16.01	13.96	(2.05)
25. SIC Insurance Company Ltd.	0.30	0.43	0.13
26. Starwin Products Ltd.	0.05	0.05	-
27. SG-SSB Ltd.	0.82	0.86	0.04
28. Sam Woode Ltd.	0.02	0.02	-
29. Trust Bank Ltd. (The Gambia)	0.40	0.35	(0.05)
30. Total Petroleum Ghana Ltd.	28.60	41.66	13.06
31. Transactional Solutions (Ghana) Ltd.	0.04	0.04	-
32. Tullow Oil Plc.	34.00	31.50	(2.50)
33. Unilever Ghana Ltd.	12.22	15.10	2.88
34. UT Bank Ltd.	0.49	0.52	0.03

Securities and Exchange Commission

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