



SECURITIES AND EXCHANGE COMMISSION
Ensuring Investor Protection

ADDRESS BY REV. DANIEL OGBARMEY TETTEH, DIRECTOR-GENERAL OF THE SECURITIES AND EXCHANGE COMMISSION, GHANA, DELIVERED AT THE RING THE BELL PROGRAM TO COMMEMORATE THE 32ND ANNIVERSARY OF THE GHANA STOCK EXCHANGE ON 15TH NOVEMBER, 2022

Executives of the Ghana Stock Exchange, Ghana Fixed Income Market and Ghana Commodities Exchange here present, Executives of the Environmental Protection Agency (EPA), International Finance Corporation (IFC) and Financial Sector Deepening Africa (FSD Africa), members of the Ghana Securities Industry Association (GSIA), industry practitioners, members of the media community, distinguished invited guests, ladies, and gentlemen.

It gives me great pleasure to extend warm felicitations from the Securities and Exchange Commission of Ghana as we bask in the auspicious occasion of this ceremonial “Ring the Bell” program in commemoration of the 32nd anniversary of the Ghana Stock Exchange.

Over the past 32 odd years, the Ghanaian Capital Market has played an important role in accelerating the growth of the real sector of the economy. The Ghana Stock Exchange has since its inception enabled corporates to raise over GHS 18 billion in long term capital, with GHS 5.4 billion raised in equity and GHS12.6 billion in debt. Additionally, the capital market has provided an avenue for domestic investors to channel their savings into productive investments in the capital market with approximately 217,000 holders of equity accounts and approximately 825,000 investors in fund management companies. The journey has not been all rosy, despite the strong expansion of the market from 8 listed equities at inception to the current 39 listed equities and the multi-fold growth in Capitalization from GHS3.05 million to GHS 64.7 billion, the capital market lags in some regards with limited new listings in recent years (three IPOs and one listing by introduction on the main exchange in the past 5 years).

The recent disruption in the bond market, flowing from the high prevailing interest rates and subsequent depressed bond prices in the secondary market, as well as speculations about a haircut on government securities, threatens to decelerate the growth of the capital market. Amid the cacophony of concerns about the depressed valuation of collective investment schemes and potential secondary effects of a haircut on companies with GoG holdings, the Securities and Exchange Commission would like to assure all stakeholders of our continued efforts to carry out our Core Mandate of “promoting the orderly growth and development of an efficient, fair, and transparent securities market and ensuring investor protection”. In line with this mandate the SEC in conjunction with the GSIA is carrying out an enhanced investor education campaign to clarify misconceptions and in the process calm the nerves of investors ruffled by the fearmongers on social media. Additionally, the SEC is closely monitoring the portfolios of its regulated entities and has issued a directive to market operators on applying the mark-to-market valuation method, to ensure that portfolios reflect the prevailing market values of securities in the portfolios they manage to ensure their fairness, longevity, and sustainability.

The theme of this program “Investing into a Green and Sustainable Future” is well-timed and opportune. Sustainability, a broader concept that stands on social, human, economic and environmental pillars, none of which can be ignored, is unquestionably the most pressing challenge of our time. . Many business leaders are seeing the relationship between long term success and sustainability. Investors across the world are demanding opportunities to invest in companies or investments with strong ESG (environment, social and Governance) markers with the aim of investing in firms that are “responsible” and care about the impact their operations have on the larger society. Indeed, it is now globally posited that a failure to integrate environmental, social, and governance (ESG) factors into investment decisions constitutes a failure to meet the fiduciary duty to clients, beneficiaries and the world at large. The sharp growth in the global sustainable bonds market to \$1 trillion in 2021 (Data source: Refinitiv), representing a 20-fold increase from 2015 levels to account for 10% of the global debt market points to the sharp increase in investors interested in ESG compliant investments. Congratulations are in order to the Ghana Stock Exchange for the recent launch of the ESG Reporting Manual for issuers on the Exchange. The Ghanaian Capital Market should not be left out of this global trend! We must be well-positioned to take advantage of the rising tide of green capital (i.e., the available pools of funds) by showcasing the green and sustainable investment opportunities available in our market.

In 2020, the SEC rolled out our 10-year strategic plan dubbed “the Capital Market Master Plan” to accelerate Ghana’s efforts to build a robust and sustainable long-term financial market to drive the development of the real sector of the economy. The CMMP is anchored on four pillars, namely:

1. Improving the diversity of investment products and liquidity of securities market
2. Increasing the investor base
3. Strengthening infrastructure and improving market services
4. Improving regulation, enforcement and market confidence

The implementation of the Capital Market Master Plan is expected to position Ghana’s domestic market as the preferred choice for investors and issuers in the subregion by leveraging global practices and trends to support market efficiency.

In line with the first pillar of the CMMP “**Improving the diversity of investment products and liquidity of securities market**”, The SEC is very interested in developing a green market. Indeed, the development of green bonds will facilitate Ghana’s bid to lower its carbon footprint to fall in line with agreed guidelines under the Paris and COP27 Agreements on climate change and sustainability. Today’s Launch of the **GSE’s Green and Sustainable Bond Rules** approved by the SEC, is indeed an auspicious moment as it marks a further step towards the journey to drive sustainable investments in the Ghanaian Capital Market. The Green and Sustainable Bond Rules in conjunction with the recently issued GSE ESG Guidance Manual will go a long way to provide a principles-based guide on how to progressively integrate ESG in strategy, operations, and performance management and help reduce uncertainties on which framework to apply in ESG reporting by listed companies and securities in Ghana. This would meet the needs of the increasingly sophisticated of profile of investors in Ghanaian market and the emerging use of ESG criteria as a globally consistent, comparable, and reliable reporting framework to screen investments calls.

I am confident that the launch of the Green and Sustainable Bond Rules will accelerate Ghana’s journey towards a sustainable Capital Market. On this note, I wish the GSE a happy 32nd anniversary and may God add His blessings to our collective efforts at building a deep, efficient, diversified, and well-regulated capital market with a full range of products attractive to both domestic and international investors. I thank you for your attention.