



# **GHANA FIXED INCOME MARKET RULES**

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## **Part 1: INTRODUCTION**

These Ghana Fixed Income Market Rules (Rules) are made by the Ghana Stock Exchange (“GSE” or “Exchange”) for the Ghana Fixed Income Market (GFIM) pursuant to the GSE’s securities market licence and are approved by the Securities and Exchange Commission (SEC) in accordance with the Securities Industry Act, 2016 (Act 929) as amended.

These Rules are binding on all Members as far as their operations on the GFIM are concerned. The GFIM may issue additional rules or guidelines, subject to the approval of the SEC.

There is hereby established the Ghana Fixed Income Market (GFIM) under the existing securities market licence of the GSE.

The GFIM shall operate under a committee of stakeholders (GFIM Committee) which shall report to the Council of the Exchange. The Council of the Exchange shall therefore be responsible for the implementation and enforcement of the rules of the GFIM.

The GFIM’s objective is to provide a fair, orderly, transparent, and efficient market for the trading of debt securities such as fixed income and other similar securities or instruments.

The principal functions of the GFIM are to approve the admission of fixed income and similar securities or instruments and to provide a market for the secondary trading of such securities.

The SEC hereby approves the establishment of the Ghana Fixed Income Market under powers granted to it by the Securities Industry Act, 2016 (Act 929) as amended. The Rules are set out under the following broad parts:

- (1) Introduction
- (2) Structure, Type and Characteristics of the Market
- (3) Membership, Trading and Clearing & Settlement Rules
- (4) Sanctions and Dispute Resolution
- (5) Admissions and Continuing Obligations
- (6) Continuing Obligations including Sanctions and Dispute Resolution

The Rules shall be used in conjunction with the following statutes, rules and guidelines, as may be amended or replaced from time to time:

- (1) Securities Industry Act, 2016 (Act 929) as amended;
- (2) Securities and Exchange Commission Regulations, 2003 (L.I. 1728);
- (3) Securities industry guidelines, codes, directives, circulars
- (4) Anti-Money Laundering Act, 2020 (Act 1044);
- (5) Foreign Exchange Act, 2006 (Act 723);
- (6) Data Protection Act, 2012 (Act 843);
- (7) Central Securities Depository Act, 2007 (Act 733);
- (8) Electronic Transactions Act, 2008 (Act 772);
- (9) Central Securities Depository Operational Rules, 2019;
- (10) Central Securities Depository Clearing and Settlement Rules, 2016;
- (11) Requirements and Responsibilities of Primary Dealers in the Fixed Income Securities Market;

- (12) Guidelines for the Government Securities Market, Primary Dealers and Bond Market Specialists;
- (13) Code of Conduct for Primary Dealers of Fixed Income Securities Market in Ghana;
- (14) Code of Conduct of the Financial Markets (ACI);
- (15) GSE Dealing Membership Rules;
- (16) GSE Surveillance rules; and
- (17) Any other applicable laws and rules.

Where there are conflicts or inconsistencies between these GFIM Rules and any of the other rules referred to in (ix) to (xvi) above, then except for laws under (xvii) above, same shall be referred to the Commission for a determination and the determination made by the Commission shall be final.

These Rules shall be construed in accordance with, and governed by, the laws of Ghana.

### **Terms, Interpretations and Definitions**

- (1) Reference to any statute and statutory provision shall be construed as those in force from time to time.
- (2) References to time shall mean the time in Accra, Ghana unless otherwise stated.
- (3) References to days are Business Days, unless otherwise stated.
- (4) Chapter headings, Rule headings and the titles and numbers of Rules are for guidance and ease of reference only.
- (5) In these Rules, an act or course of conduct includes both acts and omissions.
- (6) The following terms are defined terms and shall have the meanings set out in the definitions unless the context otherwise requires, and cognate expressions shall be construed consistently with them:

**ACI Ghana** refers to the Association of Financial Markets, Ghana.

**Admission** of a security onto the GFIM shall be the approval by the Exchange of that security to be traded on the GFIM market.

**Annual Sustainable Bond Report:** The issuer shall provide to investors, the Exchange and the Commission a Sustainable Bond report as applicable, annually for the duration of the Bond. The Report shall include the following details, aligned with the issuers bond Framework:

- (1) A brief description of the assets/projects and the amounts disbursed, including the percentage of proceeds that have been allocated to different project types and to financing and refinancing and the anticipated timeframes for the disbursements until completion of the allocation;
- (2) Continued eligibility of the selected projects and assets i.e., the issuer confirms that the projects and assets are still eligible under the selected Standards and Guidelines. This allows the issuer

to disclose to investors whether or not there have been any deviations from the eligibility of assets or a need to reallocate the proceeds to other assets.

- (3) The expected impact of the projects and assets which may include; the qualitative performance indicators and, where feasible, quantitative performance measures of the impact of the projects; and
- (4) The inaugural annual report on the use and management of proceeds will be reviewed and signed off by the External Reviewer to confirm the green/social/sustainability status of the bond. Thereafter the annual sign off on the report by the External Reviewer is recommended, but not mandatory (unless it is a Sustainability-Linked Bond).

**Annual Sustainability-Linked Bond Report** means a report by the issuer at a minimum containing the recommended items as per the SLB Principles by the ICMA, or as per any other Guidelines acceptable to the Exchange:

- (1) Selection of Key Performance Indicators (KPIs)
- (2) Calibration of Sustainability Performance Targets (SPTs)
- (3) Bond characteristics
- (4) Reporting frequency
- (5) Verification by the External Reviewer – required annually for an SLB.

**Basis Point** is a unit of measure used frequently in finance to refer to changes in interest rates and bond yields and is equivalent to 0.01% or 1/100th of a percent or 0.0001 in decimal form.

**BoG** means the Bank of Ghana or the central bank of Ghana.

**Bond Market Specialist or BMS** means a Primary Dealer authorized by the Bank of Ghana to have the exclusive right to participate in primary issuance, by auction or otherwise, of all Government of Ghana treasury bills, notes, and bonds.

**CEO** means the Chief Executive Officer.

**Companies Act** means the Companies Act, 2019, (Act 992)

**CSD** means a Central Securities Depository

**External Reviewer** means an entity appointed by the issuer. The External Reviewer shall be an entity:

- (1) specialising in assessing the framework of the Sustainable Bond's environmental and/or social objectives, with sufficient environmental, social, and/ or other relevant and specific thematic qualifications related to the issuance, as well as financial and market-specific expertise to perform a comprehensive assessment of the use of proceeds;
- (2) independent of the issuer, its Directors, Senior Management and Advisors;
- (3) aligned with the International Capital Markets Association (ICMA) Guidelines for External Reviewers, or approved under the Climate Standards and Certification Scheme, or any industry body acceptable to the Exchange and the Commission; and
- (4) with significant and appropriate expertise needed for providing independent reviews on sustainable bonds and its thematic sub-sets as relevant to the issuance.

**False Trading** means creating or causing to be created, or do anything that is calculated to create a false or misleading appearance of active trading in securities or a false or misleading appearance with respect to the market for, or the price of the securities

**Firm Order** means an order placed on the market that shows both the quantity and the price.

**Free of Payment (FoP)** means a transfer of securities without the simultaneous transfer of associated payments.

**Gender Bond** means a fixed income instrument issued under these GFIM Rules that is mobilizing financing for projects and/or issuers interested in developing projects or activities aligned with gender equality. A Gender Bond can be structured as a use-of-proceed bond or as a general-purpose Sustainability-Linked Bond.

**Gender Bond Guidelines** means guidelines including and standards including-

- (1) Social Bond Principles, as may be amended, issued and governed by ICMA;
- (2) Sustainability-Linked Bond Principles as may be amended, issued and governed by International Capital Markets Association; or
- (3) any other relevant guideline acceptable to the Exchange and the Commission that may be issued from time to time.

**Green Bond** means a fixed income instrument issued under these GFIM Rules and whose proceeds are used to finance or refinance new or existing projects that generate climate or other environmental benefits that conform to the Green Guidelines and Standards referred to by the Exchange.

**Green Bond Guidelines and Standards** means green guidelines and standards including

- (1) Green Bond Principles, as may be amended, issued and governed by ICMA;
- (2) Climate-related bond standards such as the Climate Bonds Standard, as may be amended, issued and governed by the Climate Bonds Initiative (CBI); or
- (3) any other guideline acceptable to the Exchange and the Commission such as Government policies and guidelines on the green and sustainable economy that may be issued from time to time.

**GSE or the Exchange** means the Ghana Stock Exchange.

**GSIA** means the Ghana Securities Industry Association.

**Head of GFIM** means the executive in charge of the day-to-day running of the GFIM.

**Immediate** means within one (1) business day.

**Independent Director** means a non-executive director who is not a substantial shareholder, or representative of a substantial shareholder and is free of any relationship with the company or its parent that may impair his or her ability to make his or her judgement.

An **ISIN** means the International Securities Identification Number issued for a security.

**Insider Trading** means the buying or selling of securities by a person who has access to material non-public information about the security.

**KYC** means “Know Your Client”.

**Illiquid Security** means a security which cannot be sold or bought easily.

**LDM** refers to a Licensed Dealing Member of the GSE.

**Manipulative Acts** means two or more transactions, directly or indirectly, in securities of a body corporate which are transactions that have or likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities of the body corporate with intent to induce other persons to sell, purchase or subscribe for securities of the body corporate or of a related body corporate.

**Material Information** means any information of a factual nature that has a bearing on the value of an issuer’s securities or on investor decisions as to whether or not to invest or trade in such securities. Included is information, known to the issuer concerning the issuer’s property, business, financial conditions and prospects, mergers and acquisitions; and dealings with employees, suppliers, customers and others; as well as information concerning a significant change in ownership of the issuer’s securities owned by insiders or representing control of the issuer.

**Member** means a company licensed by the SEC to deal in securities and authorized by the Bank of Ghana as a Primary Dealer (PD) or Bond Market Specialist (BMS), a non-PD bank licensed by the SEC to deal in securities or a company licensed by the SEC as a broker-dealer; that has applied to be and has been accepted by the GSE as a member of GFIM.

**Misleading Information** means information that is false or misleading in a material, that is likely to induce the sale or purchase of securities by any other person or is likely to have the effect of raising, lowering, maintaining or stabilizing the market price of securities.

**MD** means Managing Director

**Other Sustainability-thematic Bonds** mean new types of sustainable bonds that may emerge from time to time and which may be considered by the GSE if guidelines for those bonds are acceptable to the Exchange and the Commission.

A **PD or Primary Dealer** means an institution authorized by the Bank of Ghana to participate in auctions of fixed income securities conducted by the Bank of Ghana and licensed by the SEC to deal in securities.

**Pre-issuance Verification Report** means a report issued by the External Reviewer confirming the Bond can be classified as sustainable bonds pursuant to the relevant Guidelines and Standards. The report is often generally known as a “Second Opinion” or an “External Verification and Assurance” report.

A **Qualifying Date** for an entitlement means the date set by the issuer as that on which a bondholder must be in the register to be entitled to be part of the relevant corporate action.



**Quasi-Government institution** means a government related entity that possesses legal characteristics of both government and private sector.

**RFQ** means a request for quote.

**Registered Securities Dealer (RSD)** means a person licensed by the GSE, in the direct employment of or acting for, or by arrangement with a Dealing Member who performs for that member or dealer any of the functions of a member or dealer (other than work ordinarily performed by accountants, clerks or cashiers) whether his remuneration is by way of salary, wages, commission or otherwise; and includes any executive director of a member company or a partner in a member firm who performs any of the said functions;

**SEC** means the Securities and Exchange Commission of Ghana.

**Securities** shall have the same meaning as in the Securities Industry Act, 2016 (Act 929), as amended.

**Social Bond** means a fixed income instrument issued under these GFIM Rules and whose proceeds are used to finance or refinance new or existing projects that generate social benefits that conform to the Social Bond Guidelines referred to by the Exchange.

**Social Bond Guidelines** means social guidelines including-

- (1) Social Bond Principles, as may be amended, issued and governed by ICMA; or
- (2) any other guideline acceptable to the Exchange and the Commission such as Government policies and guidelines on the green and sustainable economy that may be issued from time to time.

**Standard Market Lot** means, in the case of transactions between Members in benchmark securities, an amount of GH¢500,000 or as may be determined by the GFIM; and in the case of all other transactions in benchmark securities, an amount of GH¢50,000 or as may be determined by the GFIM.

**Sustainable Bonds** is an umbrella term adopted by GSE for the purpose of ease of reference to bonds that are labelled Green, Social, Gender, Sustainability, Sustainability-Linked or other sustainability-themed bonds that may be issued under these Rules.

**Sustainable Bond Framework** means a statement by the issuer at a minimum containing:

- (1) A statement on the environmental and/or social objectives and expected impacts of the bond;
- (2) The process to determine project/asset eligibility and related eligibility criteria as per the Guidelines and Standards acceptable to the Exchange and the Commission as defined in these rules; and
- (3) A statement of the systems, policies, and processes to be used for the identification, management, allocation and reporting of the bond funds and investments.

**Sustainable Bond Label** means that the relevant label, i.e., the Green, Social, Gender, Sustainability, Sustainability-Linked or other sustainability-themed Bond label is assigned to a bond by the Exchange to identify the bond as compliant with the related standards and guidelines as defined in these Rules.

**Sustainability Bond** means a fixed income instrument issued under these GFIM Rules and whose proceeds are used to finance or refinance new or existing projects that generate both environmental and social benefits that conform to the Sustainability Guidelines referred to by the Exchange.

**Sustainability Bond Guidelines** mean sustainability guidelines and standards including-

- (1) Sustainability Bond Principles, as may be amended, issued and governed by ICMA; or
- (2) any other guideline acceptable to the Exchange and the Commission such as Government policies and guidelines on the green and sustainable economy that may be issued from time to time.

**Substantial Shareholder** means a shareholder entitled to exercise or control the exercise of thirty percent (30%) or more of the voting power at general meetings of a company or one who is in a position to control the composition of a majority of the board of directors of a company.

**Sustainability-Linked Bond (SLB)** means a fixed income instrument issued under these GFIM Rules for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined Environmental, Social and Governance (ESG) objectives. As such, SLBs are not use-of-proceeds bonds but general-purpose bonds where the issuer commits to future improvements in sustainability outcome(s). The predefined objectives and outcomes are measured through predefined Key Performance Indicators and assessed against predefined Sustainability Performance Targets as per the SLB Guidelines referred to by the Exchange.

**Sustainability-Linked Bond Framework** means a statement by the issuer at a minimum containing the recommended items as per the SLB Principles by International Capital Markets Association, or as per any other Guidelines acceptable to the Exchange:

- (1) Selection of Key Performance Indicators (KPIs)
- (2) Calibration of Sustainability Performance Targets (SPTs)
- (3) Bond characteristics
- (4) Reporting
- (5) Verification

**Sustainability-Linked Bond Guidelines** means Sustainability-linked Bond guidelines and standards including-

- (1) Sustainability-Linked Bond Principles as may be amended, issued and governed by ICMA; or
- (2) any other guideline acceptable to the Exchange and the Commission.

**T+2** means a transaction date plus two business days.

## Part 2: STRUCTURE, TYPE AND CHARACTERISTICS OF THE MARKET

### 1. Overview of the Market

GFIM is a market to facilitate the secondary trading of all fixed income securities and other securities to be determined from time to time. The market has been established by key stakeholders in the financial market led by the Ghana Stock Exchange (GSE), Bank of Ghana (BoG), the Ministry of Finance, Central Securities Depository Ghana Ltd (CSD), Ghana Association of Bankers, Financial Market Association (ACI Ghana) and Licensed Dealing Members (LDMs) of the Ghana Stock Exchange.

The GFIM is established under the existing licence that the GSE has, to operate a market for securities. The GFIM shall operate under a committee of stakeholders (GFIM Committee). The Council of the GSE shall have ultimate responsibility for the market.

The regulator for the market is the SEC. BoG shall be consulted on matters to do with the requirements and responsibilities of Primary Dealers as far as the market is concerned and also in respect of certain types of products to be dealt in on the GFIM, especially money market instruments.

The key objectives of the GFIM are to:

- (1) bring about greater efficiency;
- (2) better price discovery;
- (3) increased liquidity;
- (4) greater transparency in the secondary trading of fixed income securities in Ghana; and
- (5) bring secondary trading activities in fixed income securities in Ghana to international best practice.

### 2. Type of Securities

- (1) The following securities or instruments issued shall be automatically admitted and traded on the GFIM:
  - (a) Government of Ghana treasury bills, notes and bonds; and
  - (b) BoG money market instruments.
- (2) The following securities or instruments may be admitted and traded on the GFIM:
  - (a) money market instruments, notes and bonds of state-owned enterprises and other institutions controlled by the Government of Ghana or in which the Government of Ghana has an interest;
  - (b) corporate notes and bonds;
  - (c) local government bonds (i.e., metropolitan, municipal and district bonds);
  - (d) supra-national bonds;
  - (e) repurchase agreements (repos);
  - (f) derivatives; and
  - (g) other fixed income or money market securities.

### **3. Admission of Securities**

The GFIM is a market for the admission of and trading in fixed income securities in Ghana. It therefore, has the mandate to prescribe the requirements for obtaining and maintaining the admission of fixed income securities on the market.

The requirements comprise those to be met before securities are admitted on GFIM and continuing obligations an issuer shall comply with.

The GFIM retains the discretion to accept or reject applications based on the general principles indicated in these GFIM Rules.

### **4. Market Infrastructure**

The infrastructure supporting the operations of the GFIM shall include the following:

- (1) Electronic trading systems
- (2) Market surveillance system
- (3) Clearing and Settlement system
- (4) Depository system
- (5) Any other system that the GFIM may designate

### **5. Governance**

- (1) The operations of the GFIM shall be overseen by the GFIM Committee comprising:
  - a) the First Deputy Governor of BoG - Chairperson;
  - b) the MD or Deputy MD of the GSE;
  - c) the Head of the Treasury and Debt Management Division of the Ministry of Finance;
  - d) the Head of the Financial Markets Department of BoG;
  - e) the CEO or Deputy CEO of the CSD;
  - f) two representatives of the Ghana Association of Bankers (be an MD or executive director level of a bank);
  - g) a representative of ACI Ghana;
  - h) two representatives of the GSIA, one of whom shall be an LDM; and
  - i) the Head of GFIM.

The Company Secretary of the GSE shall act as the Secretary to the GFIM Committee.

- (2) The GFIM Committee has the authority of the Council of the GSE to take decisions on all matters relating to GFIM. The GSE shall have ultimate responsibility for the market.
- (3) The terms of reference of the GFIM Committee shall among other things include:
  - (a) oversight responsibility for the orderly and efficient running of the market;
  - (b) setting up a technical committee to oversee all the technical aspects of the market; and
  - (c) the powers to set up various market committees as and when needed to deal with risk management, finances, and the development of the GFIM.

### Part 3: MEMBERSHIP RULES OF GFIM

#### 6. Eligibility

- (1) Trading on the GFIM shall be limited to only authorized dealing entities, herein referred to as Members.
- (2) An entity shall not deal in, trade in or conduct a transaction in securities admitted to the GFIM unless that entity has been admitted as a Member of GFIM.
- (3) The following are the entities that are eligible to be admitted as Members:
  - (a) an entity licensed by the SEC to deal in securities and authorized by the BoG as a Primary Dealer (PD) or Bond Market Specialist (BMS); or
  - (b) a non-PD bank licensed by the SEC to deal in securities; or
  - (c) an entity licensed by the SEC as a broker-dealer.
- (4) Any other entity shall trade through one of the above-mentioned Members.
- (5) BoG, for monetary policy purposes, shall be permitted to deal in Government of Ghana or BoG securities admitted on the GFIM.
- (6) Non-resident foreign entities shall not be eligible to be admitted as members of GFIM.
- (7) A PD institution, BMS, non-PD institution or a Broker-Dealer shall apply to become a member of GFIM in the form containing the particulars specified in Appendix 2 and pay the relevant fees.
- (8) A Member shall be in full compliance with the requirements, rules, and regulations of its regulators.
- (9) An entity that purports to deal in GFIM securities without being a Member shall have all such dealings cancelled and be reported to the appropriate regulatory body.

#### 7. Obligations or Responsibilities

- (1) All Members shall furnish the GFIM with the profiles of their registered traders.
- (2) A registered trader of a Member shall:
  - (a) be a person designated by his institution to do secondary market transactions in securities admitted on the GFIM;
  - (b) be a full-time employee of that institution;
  - (c) possess the relevant qualification required by the regulator, such as ACI or RSD certification and any other certification that may be approved by GFIM and SEC; and
  - (d) on a continuing basis, avail himself or herself of relevant continuing professional development workshops organized by regulators, ACI Ghana, GSIA, GFIM or similar bodies.
- (3) A Member:
  - (a) that is a PD or BMS, shall provide two-way quotes for all benchmarked securities admitted;

- (b) that is not a PD or BMS, is not required but may provide two-way quotes for all benchmarked securities admitted.
- (4) A Member shall be responsible for:
- (a) developing internal control procedures for the personal conduct of its registered traders;
  - (b) the segregation of duties within their operations;
  - (c) the establishment of adequate risk management and control measures in their organization;
  - (d) security measures covering dealing room equipment, personnel, etc.;
  - (e) adequate safeguards to prevent abuse where dealing for personal accounts is allowed;
  - (f) recording of voice transactions; and
  - (g) adequate fidelity insurance cover for its operations.
- (5) A Member shall be responsible for the settlement of all transactions executed by its registered traders in accordance with the requirements of the CSD.
- (6) A Member shall ensure that its registered traders' activities are within the roles and responsibilities set out by the Member, which shall include:
- (a) instruments to be dealt in;
  - (b) the registered traders' transactional limits; and
  - (c) reporting procedure.
- (7) A Member shall notify the GFIM of changes in particulars of its registered traders, including changes in contact details, resignations and any other form of disengagements.
- (8) A Member shall ensure, for the purposes of trading on the GFIM, that it has the following:
- (a) requisite office infrastructure;
  - (b) a terminal or a platform approved by the GFIM;
  - (c) communication system;
  - (d) trained and regulator- certified personnel; and
  - (e) risk management system in place such as trading limits, approval limits and segregation of duties between trading desk and back office.
- (9) Know Your Client – A Member shall use due care and skill to obtain the basic know your client (KYC) information including the following: -
- (a) Completed KYC information, which provides for the name, age, investment knowledge, investment objectives, risk profile and contact information of the client.
  - (b) Source of client's funds.
  - (c) The legal responsibility for trading decisions and guarantees of payment and settlement.
  - (d) Client account documentation signed by the client, the registered trader and the registered trader's supervisor.
  - (e) Signed client's account management agreement with clients who require such service.
  - (f) Material changes to the client's profile and investment objective.
- (10) A Member shall open an account at the CSD for its client, where the client does not already have a CSD account.
- (11) A Member shall submit to GFIM, periodic reports as required by GFIM.

## 8. Code of Conduct

- (1) Applicability of Code of Conduct – to maintain an orderly and efficient market in securities on the GFIM, Members and their registered traders shall comply with the Code of Conduct as prescribed by GFIM.
- (2) Market Integrity – Members shall observe the general principles of market integrity.
- (3) Disclosure of client information - Members shall not disclose client information to any third party unless expressly authorized by the client or required by law.
- (4) Client Records – A Member shall render proper accounts to its clients for monies received for purchases, transactions executed, funds due for securities sold and charges.
- (5) Insider Dealing – A Member shall not engage in insider dealing in compliance with the Securities Industry Act, 2016 (Act 929), as amended, and any applicable law.
- (6) Profiting from Confidential Information – Members and their registered traders shall not with intent or through negligence profit from or seek to profit from or assist others to profit from confidential information in compliance with the Securities Industry Act, 2016 (Act 929), as amended, and any applicable law.
- (7) Due Diligence – A Member shall conduct due diligence reviews of its clients including filling “Know Your Customer” (KYC) forms.
- (8) False Trading – A Member shall not engage in false trading, in compliance with the Securities Industry Act, 2016 (Act 929), as amended, and any applicable law.
- (9) Misleading Information – A Member shall not provide misleading or false information, in compliance with the Securities Industry Act, 2016 (Act 929), as amended, and any applicable law.
- (10) Manipulative Acts – A Member shall not engage in manipulative acts in compliance with the Securities Industry Act, 2016 (Act 929), as amended, and any applicable law. Manipulative market acts include the following:
  - (a) placing an order with the knowledge that an opposite order of substantially the same value at substantially the same price and at about the same time exists with the intention to create the appearance of active trading;
  - (b) placing an order at or near the close of the market with the aim of changing or maintaining the closing price;
  - (c) placing an order and subsequent cancellation of same to induce demand or supply of a security; and
  - (d) placing an order that will not lead to a change in beneficial ownership (or wash trade).

## Part 4: TRADING RULES OF GFIM

### 9. General Provisions

- (1) The GFIM Trading Rules shall apply to secondary market transactions in fixed income securities or any other instruments that are admitted on the Ghana Fixed Income Market (GFIM).
- (2) Any reference to these Rules shall include a reference to any guidelines published or prescribed under these Rules by the GFIM.

### 10. Trading Infrastructure or System

- (1) Secondary transactions in securities admitted on the GFIM shall be done by the Members using electronic trading platforms approved by the GFIM.
- (2) Members shall be responsible for the installation of, and subscriptions to, the Trading platform they use.
- (3) Members shall report all their trades via the trading infrastructure in place.
- (4) All transactions in securities admitted on the GFIM shall be executed in accordance with these GFIM Rules.

### 11. Types of Transactions

GFIM transactions shall be for cash on settlement dates. Other types of settlement transactions may be allowed from time to time.

### 12. Trading Hours

- (1) Trading hours for the GFIM shall be from 0900 hours GMT to 1600 hours GMT each business day.
- (2) Where circumstances on particular trading day(s) prevent the adherence to the set trading hours, the GSE may vary the trading hours for the trading day(s) concerned
- (3) Orders shall be mass-suspended at 1600 hours GMT.
- (4) There shall be no dealing outside trading hours.

### 13. Trading Methodology

- (1) Securities may be traded on an approved GFIM electronic trading platform through any of the following means:
  - (a) request for quotes method; or
  - (b) a firm order placed in the system; or
  - (c) bilateral/negotiated method (voice or any other messaging platform)



- (2) Request for quotes shall be in standard amounts or multiples of the standard amount and may be determined by GFIM.
- (3) Firm orders placed in GFIM trading system shall be for any amount other than the standard amount but shall be in multiples of one unit.

#### **14. Quotes or Order Convention**

- (1) Quotes or firm orders for notes and bonds shall be on the basis of yield but shall also display the clean price.
- (2) Quotes or firm orders for money market securities shall be on the basis of yield.

#### **15. Benchmark Securities**

- (1) Securities shall be benchmarked by GFIM.
- (2) A PD or BMS shall provide a two-way quote for all benchmarked securities.
- (3) All other Members are not obliged but may provide indicative quotes for GFIM benchmark securities.

#### **16. Request for Quotes (RFQ)**

- (1) Standard Amount in Benchmarked Securities  
The standard amount for quotes by Members in benchmark securities shall be GH¢500,000 or as may be determined by the GFIM.
- (2) Specified Amount in Benchmark Securities
  - (a) Where a Member's registered trader requests a quote for an amount larger than the standard amount, in a benchmark security, the registered trader shall state the exact amount up-front.
  - (b) The quoting Member may decline to quote for such an exact amount and shall specify the amount it is willing to quote, and such amount shall be the standard amount or higher.
- (3) Non-Benchmark Securities  
A Member is not obliged to provide a two-way quote in securities that are not benchmark securities

#### **17. Spread**

- (1) The maximum spread for all benchmark securities admitted to the GFIM shall be 50 basis points for standard market lots.
- (2) The maximum spread shall not apply to lots outside the standard market lot.
- (3) The GSE may vary the maximum spread subject to the approval of the SEC.

## **18. Securities Buyback**

An issuer that wishes to undertake a securities buyback shall seek approval from the SEC and provide the GFIM with all material details of the securities buyback transaction, at least five business days before the transaction is executed.

## **19. Execution of Trades**

- (1) Dealing shall be done through a GFIM-approved trading platform.
- (2) For a bilateral or negotiated trade through voice or messaging platform to be confirmed, the trade must be booked in a GFIM-approved trade capture system.

## **20. Validity of Quotes and Orders**

- (1) Quotes shall be given using the RFQ trading module, firm orders and/or by telephone.
- (2) Quotes provided over the phone are valid for that specific phone call.
- (3) Quotes given are valid for a maximum of sixty seconds for on-screen transactions on a two-way quote basis.
- (4) Transactions that are executed outside the trading system shall be consummated in the trading system within ten minutes of execution.
- (5) For an RFQ using the Trading System,
  - (a) a Member who is a PD or BMS shall provide quotes when asked within 60 seconds and there shall be at least 75% response rate within the mandatory 2-way quote window on each trading day; and
  - (b) a Member receiving a quote is required to act on the quote within 30 seconds.
- (6) The maximum number of Members that a Member can request a quote from at any given time in the Trading System shall be 5.
- (7) When making a firm order, quotes shall be valid until changed.
- (8) The amount and/or price of a quote are valid until changed.
- (9) A quote cannot be changed after it has been accepted.

## **21. Trade Allocation**

- (1) Trades done on the electronic systems are matched automatically and flow to the CSD for allocation.

- (2) A Member shall ensure that allocation is done before the settlement date in accordance with the CSD Operational Rules.

## **22. Trading Halts and Suspension**

- (1) The GFIM may impose a trading halt on an admitted security or suspend trading in an admitted security where:
  - (a) it believes that a registered trader has access to unpublished price- sensitive information;
  - (b) trading is being influenced by manipulative or deceptive trading practice;
  - (c) there is unusual movement in price or volume of the security;
  - (d) there is the need to obtain clarification from the issuer on any matter affecting the price of the security or related securities; and
  - (e) the circumstances will prevent transparent, fair and orderly trading in a security.
- (2) An unusual price movement may be determined by the GFIM by reference to the tracking of prices for the security or that class of securities over a period. Until otherwise determined, a price movement beyond +3.5% or -3.5% per day shall be regarded as unusual.
- (3) Trading halt or suspension may be imposed for a period during a trading day. The length of the period shall depend on the matter that necessitated the halt or suspension. Should the halt or suspension extend beyond one trading day, the GFIM Committee may suspend trading in that security until all the matters/issues that led to the halt or suspension have been resolved
- (4) Trading in a security shall resume as soon as the circumstances that led to the halt or suspension are addressed.
- (5) Members shall not effect transactions in a security for which a trading halt or suspension is in place and the GFIM shall take steps to prevent or nullify such transactions.
- (6) The SEC shall be notified immediately when trading is halted or suspended.

## **23. Prices**

All quotes as price shall be provided to four decimal places.

## **24. Concluding a Deal**

- (1) A Member shall not refuse to deal after quoting a price if the requesting Member decides to buy or sell at the price quoted.
- (2) A Member is bound to deal once the price and quantity are agreed.
- (3) A deal is consummated when the Member that requested a quote confirms the buying or selling of a standard amount or specified amount quoted at the price indicated by the quoting Member.
- (4) Where no amount is indicated when a quote is given, the quote shall be assumed to be for the standard amount.

- (5) Where a Member requests a quote for an amount higher than the standard amount and the amount is indicated ahead of the quoting Member giving the quote, the quote shall be assumed to be for the amount indicated and the quoting Member is obliged to deal.

## **25. Record Keeping**

- (1) Members are required to keep accurate records of dealings with clients or counterpart Members.
- (2) The records may be by email, fax, signed letters, agreements, and voice recordings or as the Member may determine.
- (3) All voice transactions shall be recorded and captured in a printable format
- (4) All records shall be kept by the Member for at least seven (7) years.

## **26. Performance Evaluation**

- (1) A Member shall adhere to the minimum standards required of them.
- (2) A Member, who is a PD or BMS, shall respond to requests for quotes at least 75% of the time within the mandatory 2-way quote window on each trading day.
- (3) A Member shall contribute to the price contribution sheet daily.
- (4) The GFIM shall evaluate the secondary trading activities of Members periodically.
- (5) The GFIM shall provide a quarterly report of such evaluation of secondary market activities of PDs and BMSs to BoG and Ministry of Finance.
- (6) The GFIM shall provide a monthly report of such evaluation of secondary activities of all Members to the SEC.

## Part 5: CLEARING AND SETTLEMENT RULES

### 27. Settlement Obligation

A Member shall comply with the Clearing and Settlement Rules of the CSD.

### 28. Settlement Cycle

All trades in securities admitted on the GFIM shall settle within a T+2 cycle.

### 29. Cash Settlement

Funds or cash shall settle at the BoG.

### 30. Securities Settlement

Settlement for securities transactions done on the GFIM shall be done using the Central Securities Depository system.

### 31. Delivery versus Payment

Settlement of transactions done on the GFIM shall be based on the principle of delivery versus payment.

### 32. Free of Payment

Free of Payment (FoP) shall be allowed as per the CSD's procedure on FoP.

## Part 6: SANCTIONS AND DISPUTE RESOLUTION

### 33. Sanctions

- (1) Where the GFIM is not satisfied after a hearing on a registered trader or Member who contravenes any provision in the rules of the GFIM, the GFIM may sanction the registered trader or Member or both by one or more of the following:
  - (a) a written reprimand;
  - (b) a fine;
  - (c) suspension from trading in securities admitted on GFIM giving the reasons for and the period the suspension will last;
  - (d) expulsion from trading in securities admitted on GFIM; and
  - (e) any other sanction determined to be appropriate under the circumstance.
- (2) A Member suspended or expelled shall be liable to settle all outstanding trades executed prior to the suspension or expulsion.
- (3) The GFIM shall immediately report sanctions imposed on a Member to the SEC.

### 34. Complaints

A complaint by an investor or a Member about a Member shall be in writing to the GFIM.

### 35. Dispute Resolution

The following shall be the procedure to resolve disputes:

- (1) Where a dispute involving an investor or a Member arises, the parties shall endeavor settle the dispute amicably.
- (2) Where they are unable to settle the dispute amicably, the complainant shall refer the dispute in writing to the Head of the GFIM.
- (3) Where the Head of the GFIM is unable to resolve the dispute within three business days of the reference, the Head of GFIM shall refer it to the GFIM Committee.
- (4) Where the GFIM Committee is unable to resolve the dispute within five business days of receiving the reference, the GFIM Committee shall refer the dispute to the Council of the GSE.
- (5) where the Council does not resolve the dispute after a further ten business days, the Council shall refer the dispute to the SEC.

## Part 7: ADMISSION RULES

### 36. Objectives of the Admission Rules

- (1) The admission rules shall achieve an appropriate balance between providing issuers with access to the market at the earliest opportunity and ensuring that potential issuers provide investors with adequate, accurate and timely information to enable them to make an informed decision as to the value and merits of admitted securities.
- (2) The admission rules shall ensure that:
  - (a) applicants are suitable for admission;
  - (b) the trading of securities is conducted in a fair, open and orderly manner and that investors have sufficient information to enable them to make a properly informed assessment of the applicant, and of the securities for which admission is sought;
  - (c) investors and the public are fully informed by issuers, and in particular, that immediate disclosure is made of any information that may reasonably be expected to have a material effect on the market activity of the admitted security;
  - (d) all holders of admitted securities are treated fairly and equally; and
  - (e) issuers act in the interests of the holders of securities as a whole, particularly where the public represents only a minority of the security holders.
  - (f) Where the debt securities are issued under a programme, the issuer shall list all tranches of the debt securities issued under that programme.

### 37. Issuers

Issuers whose securities shall trade on the GFIM shall include but not limited to the following:

- (1) Government of Ghana;
- (2) BoG;
- (3) local government authorities;
- (4) other Ghana government institutions;
- (5) public companies;
- (6) externally registered companies and
- (7) supra-national organizations.

### 38. Sponsors of an Admission

- (1) Securities to be admitted on the GFIM shall be sponsored by a Member or the BoG as follows:
  - (a) Government of Ghana Securities, BoG Securities and Cocoa Bills – shall be automatically admitted or and
  - (b) Corporate securities and all other securities shall be sponsored by a Member.
- (2) Where the applicant for admission and the sponsor have an associate company relationship, an independent (and additional) sponsor shall be appointed to co-sponsor the admission.
- (3) The sponsor shall: -
  - (a) be responsible for filing with the GFIM all the documents needed to support the application;
  - (b) ensure that based on all available information, the security is suitable for admission; and

- (c) satisfy itself that the issuer can be relied upon to honour its obligations to security holders at the time of issue.

### **39. Admission Requirements**

- (1) A security to be admitted to the GFIM shall have an issued nominal value of not less than five hundred thousand Ghana cedis (GH¢500,000).
- (2) A security to be admitted to the GFIM shall have a minimum of 5 holders.
- (3) A security to be admitted to the GFIM, other than Government of Ghana and BoG securities shall be created and issued pursuant to a Trust Deed and the prospectus shall be approved by the SEC unless exempted by law or by the SEC.
- (4) The issuer and its Trustees shall ensure that the book closure dates, to make coupon payments shall not be more than 3 business days.
- (5) A security to be admitted to the GFIM shall be registered in the Central Securities Depository (CSD).
- (6) The issuer of a security, other than the Government of Ghana or BoG, shall have published or filed accounts in accordance with the Companies Act, for the full financial year immediately preceding the date of its application for admission or a plan that details the prospects and cash flows of the issuer.
- (7) An issuer of securities on the GFIM, other than Government of Ghana or BoG shall have made reasonable pre-tax profits during the three financial years immediately preceding the date of its application for admission; or have a plan that details the prospects and future cash flows of the issuer as well as the ability to fully service its financial obligations as they fall due.
- (8) For the purposes of this rule, pre-tax profit shall not include non-recurring and extraordinary income, nor shall it be reduced by non-recurring or extraordinary loss.
- (9) In determining pre-tax profit for admission, the GFIM shall take into consideration a positive pre-tax profit in aggregate when the results of the three years are added.
- (10) An issuer who is in default of its coupon and principal obligations shall not have new securities admitted until such default has been resolved or unless the new issue is to restructure the defaulting issue.

### **40. Transferability of Securities**

Securities for which admission shall be sought on the GFIM shall be freely transferable, subject to only restrictions imposed by the general laws of the country.



#### **41. Conditions Relating to Directors and Management of an Applicant**

- (1) The character and integrity of the directors and management of an issuer shall be among the criteria considered by the GFIM in assessing the application for admission, and the GFIM shall use the SEC Corporate Governance Code, as may be amended or replaced, in its assessment.
- (2) At least fifty percent (50%) of the board of the issuer shall be composed of non-executive directors, of which at least two or approximately twenty-five percent (25%) shall be independent.

#### **42. Methods by which Securities shall be Brought to the GFIM**

Securities shall be brought to the GFIM by any one of the following methods:

- (1) an offer for subscription, which is an offer to the public by an issuer of securities;
- (2) a placing, which is an issue where the securities are placed with identified institutions and individuals or through a restricted public offer;
- (3) an introduction, which describes an application where the GFIM grants an issuer admission without the requirement of a public issue; or
- (4) any other mode that is permitted under the Companies Act.

#### **43. Submission of Application and Supporting Documents by Issuers**

- (1) An issuer, other than the Government of Ghana or BoG, seeking admission of its securities on the GFIM, whether through an offer for subscription or an introduction, shall submit to the GFIM an application for admission with supporting documents, which shall include a copy of the prospectus or placement document, where applicable.
- (2) The precise form of document to be produced in respect of an application for admission shall be agreed upon with the GFIM but shall generally include the following:
  - (a) a letter of application;
  - (b) supporting authorization and/or company resolutions;
  - (c) admission undertaking; and
  - (d) information memorandum or prospectus.
  - (e) In the case of a Sustainable Bond, the Sustainable Bond Framework shall form part of the information memorandum or prospectus.
- (3) An issuer seeking admission through a public offer shall submit a copy of its offer prospectus to the SEC for approval, unless exempted by law.
- (4) The GFIM does not guarantee admission as of right to a security whose public offer document has been approved by the SEC but shall base its decision on its own assessment of the application for admission and supporting documents submitted.
- (5) An issuer seeking to have a security admitted on the GFIM by introduction shall file a prospectus or a statement in lieu of prospectus for approval by the SEC and publish same after the SEC approval, unless the issuer is exempted from filing a prospectus by the SEC.

#### 44. Suspension of Trading and Compulsory Withdrawal of Admission

- (1) The GFIM may at any time and in such circumstances as it thinks fit suspend or withdraw an admission so to protect investors and to ensure an orderly market.
- (2) Suspension shall be made at the request of the issuer or at the discretion of GFIM.
- (3) Before any such suspension, the GFIM shall generally consult with the:
  - (a) sponsor if it is at the request of the issuer; or
  - (b) advisors, if the suspension is not at the request of the issuer,and take into consideration any representations made by or on behalf of the issuer.
- (4) The GFIM shall consider suspending admission or compulsorily withdrawing the admission of securities under the following circumstances:
  - (a) Default of coupon and principal payments;
  - (b) Disposal of principal assets - the issuer has sold, or otherwise disposed of its principal operating assets, has ceased to operate, or has discontinued a substantial portion of its operation or business without shareholders' authorisation;
  - (c) Failure to make timely and adequate disclosures - the issuer has failed to comply with the GFIM's requirements on continuing admission obligations;
  - (d) Unpaid fees or charges- the issuer has failed to pay when due, any fee, or charge payable to the GFIM.
  - (e) Going Concern - the financial situation of the issuer is significantly threatened.
  - (f) Breach of the specific requirements related to a Sustainable Bond, i.e., the issuer is not meeting the related Guidelines and Standards as defined in these Rules.
- (5) Upon the occurrence of any event under sub-rule (4) above, the GFIM shall notify the issuer of such event in writing and give an opportunity for the issuer to provide an explanation.
- (6) When the GFIM considers that the issuer is able to eliminate the grounds for suspension, the GFIM may designate a period of time for the issuer to eliminate the grounds for the suspension of trading or withdrawal of admission.
- (7) When the GFIM considers that it is not possible to eliminate the grounds for suspension or withdrawal of admission, the GFIM shall issue an order to withdraw the admission of the security (securities).

- (8) In ordering the suspension of trading or withdrawal of admission of an admitted security, the GFIM shall order and designate the date on which the withdrawal takes effect and issue a press release to that effect on the same day.
- (9) GFIM shall give the SEC three clear business days' notice of an impending suspension of trading or withdrawal of an admission.

#### **45. Voluntary Withdrawal of Admission**

- (1) A security whose primary admission is on the GFIM may have its admission voluntarily withdrawn by:
  - (a) submitting a written application with reasons;
  - (b) supporting the application with a special resolution of the holders of the securities duly passed; and
  - (c) giving the GFIM at least three months' notice.
- (2) In an application for voluntary withdrawal, an issuer shall:
  - (a) obtain a Board resolution for the withdrawal;
  - (b) arrange for exit opportunities;
  - (c) draft a press release on intention to withdraw securities;
  - (d) submit the draft press release to the GFIM within one business day;
  - (e) convene a meeting of the holders of the securities to obtain a special resolution to withdraw the security;
  - (f) ensure that promoters or the issuer makes arrangements to purchase securities from all existing holders who wish to sell and that the purchase price is the average market price of the preceding twelve weeks or the market price on the day of the general meeting, whichever is the higher;
  - (g) seek a no objection from the SEC.
- (3) In an application for voluntary withdrawal, an issuer shall ensure that payment is made to selling holders from an escrow account opened for that purpose.
- (4) In an application for voluntary withdrawal, an issuer shall advise the GFIM of completion of all formalities and pay the application fee in respect of the withdrawal.
- (5) GFIM shall, on the issuer's completion of sub-rule (4) above, give an approval for the withdrawal and issue a press release.
- (6) An issuer whose primary admission is on another securities exchange may voluntarily withdraw its admission if it gives the GFIM at least sixty calendar days' notice. The notice shall contain alternative arrangements to give liquidity to holders who may wish to exit because of the decision.
- (7) An issuer may voluntarily withdraw its admission by such other additional method as the GFIM may approve.

#### **46. Admission Process for an Offer for Subscription and Placing**

The steps required for admission under an “offer for subscription” or a “placing” are as follows:

- (1) The members of the issuer pass a resolution to have the securities admitted and appoints a sponsor for its application;
- (2) The issuer, through the sponsor, submits an application for admission with supporting documents to the GFIM and pays the relevant fees;
- (3) GFIM approves the application upon satisfactory evaluation;
- (4) The prospectus, where required, is published after SEC approval and the offer is launched;
- (5) At the end of the offer, the securities accounts of successful applicants in the CSD are credited; and
- (6) GFIM admits the securities for trading.

#### **47. Process for Admission by Introduction**

- (1) An issuer seeking to have its securities admitted on the GFIM by Introduction shall file a prospectus or statement in lieu of prospectus for review by the SEC, where required, and thereafter publish same.
- (2) The issuer shall appoint a Member to sponsor its application.

#### **48. Supporting Papers to be Filed with Application for Admission**

The following documents shall be filed in support of an application for admission by an issuer:

- (1) a hard copy and a soft copy of the regulations or constitution of the issuer;
- (2) a copy of the issuer’s certificate of incorporation documents;
- (3) members’ and directors’ resolutions and any other relevant documentation authorising the issuer to apply for admission;
- (4) three copies each of the issuer’s annual report and financial statements for each of the preceding three financial years and where there are subsidiary companies, the same documents in respect of each subsidiary company; or a plan that details the prospects and cash flows of the issuer as well as the ability to fully service its financial obligations as they fall due.
- (5) a copy of the draft prospectus or offering document being submitted to the SEC;
- (6) a copy of Undertaking to conform to the GFIM Rules;
- (7) a copy of a tax clearance certificate and a social security clearance certificate or other documents evidencing the due discharge of the applicant’s tax and social security obligations;

- (8) a letter from the issuer confirming the appointment of a Sponsor;
- (9) a letter from the issuer's industry regulator confirming that the issuer is in good standing;
- (10) evidence of payment of application fee; and
- (11) where any of the supporting papers specified are not filed because they are not applicable, the issuer shall submit a separate paper explaining why those papers are not applicable.
- (12) in the case of a Sustainable Bond, additional documents required are:
  - (a) the issuers Sustainable Bond Framework,
  - (b) a letter of the issuer confirming the appointment of a qualified External Reviewer, and
  - (c) the pre-issuance verification report.

#### **49. Contents of an Original Application for Admission**

An application for original admission of debt securities shall provide the following:

- (1) full title of issue;
- (2) summary of the trust deed;
- (3) particulars of trustee;
- (4) authorisation to issue those securities by the directors, members or relevant Government authority;
- (5) amount authorised, amount issued to-date, amount retired and amount outstanding;
- (6) date of issue and maturity;
- (7) interest rate;
- (8) dates for payment of principal and interest and currency in which payable;
- (9) any tax exemption;
- (10) denomination issuable;
- (11) details of conversion of convertible securities, if any.

#### **50. Continuing Admission Obligations**

- (1) (a) The following matters shall be immediately announced by an issuer of corporate securities and where applicable, by the Government of Ghana or BoG as an issuer: -
  - (i) any information concerning the issuer and/or of its subsidiaries necessary to avoid the establishment of a false market in the securities or which is likely to materially affect the price of the securities;
  - (ii) any intention to fix a qualifying date and the reason therefor;
  - (iii) any meeting of security holders, at least twenty-one days before such meeting is held;
  - (iv) any change in address of corporate office;
  - (v) any change in the directors, company secretary or auditors of the issuer;
  - (vi) any proposed alteration of the regulations of the issuer; and
  - (vii) any application filed with a court to wind up the issuer.
  - (viii) For a Sustainable Bond, the matters that immediately shall be announced by an issuer shall additionally include: any arising non-compliance with the related Guidelines and Standards as defined in these Rules.
- (b) An issuer of corporate securities shall announce to the public through GFIM:

- (i) its unaudited quarterly financial statements within one month after the close of each quarter, which statements shall state whether there is any abnormal circumstance that has affected or will affect the business and the financial position of the issuer.
  - (ii) its annual audited financial statements, together with the auditors' and directors' report within three months after the close of their respective financial years.
  - (iii) For a Sustainable Bond, an issuer shall additionally publish through GFIM its Annual Sustainable Bond Report.
- (2) An issuer of admitted securities shall:
- (a) maintain high standards of disclosure;
  - (b) fully disclose to the public, the information necessary to make informed investment decisions;
  - (c) secure the immediate release of information, which may be reasonably expected to have a material effect on the market activity and price of its admitted securities;
  - (d) ensure the maintenance of a fair and orderly market in its securities; and
  - (e) ensure that all investors have simultaneous and equal access to the same information.
- (3) Immediate disclosure shall be made of material information about an issuer's affairs or about events or conditions in the market for the issuer's securities that meets either of the following:
- (a) where the information is likely to have a significant effect on the price of the securities, or
  - (b) where such information (after any necessary interpretation by securities analysts or other experts) is likely to be considered important, by a reasonable investor in determining his choice of action.
- (4) The following events shall require immediate announcement by an issuer:
- (a) inability to pay principal or interest, before the due date;
  - (b) change of directors, secretary, registrars, trustees or auditors of the issuer;
  - (c) change of address of the registered office of the issuer or of any offices at which the register of the securities of the issuer is kept;
  - (d) call of securities for redemption;
  - (e) event of default on interest and/or principal payments;
  - (f) any change in the corporate purpose and any material alterations in the issuer's operations or the initiation of new operations and
  - (g) any other information or event which is material.
  - (h) For a Sustainable Bond, the matters that immediately shall be announced by an issuer shall additionally include any arising non-compliance with the related Guidelines and Standards as defined in these Rules.
- (5) All announcements mentioned above that have to be communicated to the GFIM shall be in writing and shall be duly signed by an authorized officer of the issuer.

## **51. Alteration of Issuer's Regulations or Constitution**

An issuer whose securities have been admitted to the GFIM shall not delete, amend or add to its Regulations or other Constitutional document unless prior written approval has been sought and obtained from the GFIM for such deletion, amendment or addition.

## **Part 8: OTHERS**

### **52. Dissemination of Trading Results**

- (1) Results of secondary trading activities in all GFIM securities shall be published by the GFIM at the end of each trading day.
- (2) All reports available in the Trading system shall be available to Members once they log into the system.
- (3) Information on trading results, market reports and live feed information of GFIM transactions shall be jointly owned by the third-party provider and the GSE.

### **53. Regulatory Reporting Requirements**

- (1) All Members shall, in respect of trades executed, comply with the reporting requirements set by the GFIM.
- (2) Regulatory oversight of the activities of the GFIM shall be exercised first by the GFIM Committee, the GSE Council and the SEC as the regulator of the capital market.
- (3) BoG shall consult the GSE and SEC in matters relating to the admission of securities issued by it or on behalf of the Government of Ghana and its attendant reporting requirements.
- (4) GFIM shall submit to SEC, daily trading results at the end of each trading day and monthly trading reports within fifteen days after the end of each month.

### **54. Access and Security**

- (1) A Member shall diligently and promptly resolve security measures concerning its own personnel, physical access to computers and other equipment connected to the trading system and the confidentiality of usernames and passwords.
- (2) A Member shall be responsible for taking up the appropriate insurance cover including those for assets and fraud in respect of its secondary trading operations.
- (3) A Member shall at all times ensure that only registered traders have access to the trading system.
- (4) A Member shall be liable for any loss arising from unauthorized access to the trading system for the input of orders or the execution of transactions.
- (5) Where circumstances render the main trading system inaccessible to the majority of Members, the GFIM shall inform all Members.

## **55. Inspection of Members**

- (1) The Exchange shall carry out a Member inspection as follows: -
  - (a) Regular inspection - An inspection that the Exchange carries out regularly according to its inspection schedule.
  - (b) Special Inspection - An inspection that the Exchange carries out at any time as the Exchange deems it necessary.
- (2) The Exchange may, when deemed necessary, carry out the inspection jointly with related institutions.

## **56. Methods of Inspection**

- (1) The inspection shall be carried out either by:
  - (a) on-site inspection where the market surveillance staff visits the head-office, branch office or any other business location of the Member and conduct an inspection in person; or
  - (b) electronic inspection where the Member submits documents and evidence the Exchange requires via the Exchange's electronic surveillance platform; and
  - (c) written inspection made through correspondence.

In each case, the Exchange shall give prior written notice to the GFIM Member.

- (2) Where necessary, the Exchange may request the Member to submit information, or to conduct its in-house examination and submit the results thereof to the Exchange.
- (3) Where an on- site inspection is carried out, the market surveillance staff shall present the inspection mandate issued by the Exchange to the concerned members.

## **57. Inspection and Surveillance Reports to the SEC**

- (1) The Exchange shall provide the SEC with monthly and quarterly reports of its surveillance activities of Members.
- (2) Notwithstanding rule 56(1) above, the Exchange shall promptly report matters of material importance to the SEC even when the Exchange's investigations are still being carried out.
- (3) Members shall provide both GFIM and the SEC with quarterly reports of the proprietary position statement on holdings in different categories of GFIM securities.



## **58. Records**

- (1) Every Member shall keep and maintain records of its activities on the GFIM, including date and time of receipt of each client's order, in accordance with the Data Protection Act, 2012 (Act 843) and other relevant statutes as may be amended or replaced from time to time.
- (2) Members shall maintain separate accounts and records for monies received from or on account of their clients.
- (3) Members shall maintain separate accounts and records for their proprietary transactions.

## **59. Liability**

When acting in good faith and without negligence, the GFIM shall not be liable to any Member or investor for:

- (1) any loss of opportunity, profit, goodwill, interest or use of money or securities;
- (2) any other special, indirect or consequential loss, damage, expense, liability or claim;

suffered or incurred by the Member or investor arising from or related to the trading system.

## **60. GFIM System Failure**

Where the GFIM or a Member's registered trader is unable to operate the trading system due to a system failure or due to an act of God or force majeure or any act outside the control of GFIM, the GFIM shall not be liable to pay any compensation or indemnity to any person who incurs a loss as a result of a delay in effecting any transaction.

## **61. Power to Modify Rules**

- (1) The GSE Council may waive the application of any of the requirements of these GFIM Rules as it deems fit in any particular circumstance, and upon sufficient justification being provided to it.
- (2) The SEC shall be given prior notification of exemptions and waivers.
- (3) Any amendment of these Rules shall be made with the prior approval of the SEC.

## APPENDIX 1: FEES, TAXES AND COMMISSIONS

### 1. Taxes on Interest incomes

Income earned on securities shall be subject to the existing Ghanaian tax laws.

### 2. Membership Fees

(1) Admission Fees - Members shall pay a membership admission fee as follows or as may be determined by the GFIM.

- |                               |              |
|-------------------------------|--------------|
| (a) PD Banks                  | – GH¢200,000 |
| (b) Non-PD Banks              | – GH¢150,000 |
| (c) Broker-Dealer (bond-only) | – GH¢150,000 |
| (d) LDM (equity and bonds)    | – Nil        |

(2) A Member seeking re-admission following suspension or withdrawal of its membership status shall pay admission fees as in sub-rule 1 above.

(3) Annual Fees - Members shall pay an annual membership fee as follows or as may be determined by the GFIM.

- |                                |             |
|--------------------------------|-------------|
| (a) PD Banks                   | – GH¢24,000 |
| (b) Non-PD Banks               | – GH¢12,000 |
| (c) Broker-Dealer (bonds-only) | – GH¢12,000 |
| (d) LDM (equity and bonds)     | – Nil       |

(4) The GFIM Committee has powers to agree on specifics such as discounts and waivers as well as changes to these membership fees.

### 3. Admission Fees

The following fees shall apply to securities admitted or to be admitted to the GFIM:

(1) For money market instruments or securities with maturities of less than one year to be admitted, such as bills, commercial paper or certificates of deposits, no fee shall be charged.

(2) For notes and bonds issued by the Government of Ghana, BoG and Local Government Authorities:

- an application fee of 0.0001 of the value of the securities to be admitted;
- an original admission fee of 0.0001 of the value of the securities to be admitted; and
- an annual fee of 0.0001 of the value of the securities. The annual fee shall be charged each subsequent year that the security will remain admitted.
- The GFIM may grant a discount of up to 25%.

(3) For all other securities other than indicated in sub-rules 1 and 2 above,

- (a) an application fee of 0.0001 of the value of the securities to be admitted;
  - (b) an original admission fee of 0.0002 of the value of the securities to be admitted; and
  - (c) an annual fee of 0.0001 of the value of the securities. The annual fee shall be charged in each of the subsequent years that the instrument will remain admitted.
  - (d) The GFIM may grant a discount of up to 25%.
- (4) An application for voluntary withdrawal shall include an application fee of 0.0002 of the value of the security being withdrawn.
- (5) Fees shall be paid as follows;
- (a) in respect of annual admission fees, the fees shall be paid in advance and not later than 31st January each year;
  - (b) application fees shall accompany applications;
  - (c) original, additional and first annual admission fees shall become due after approval of the application for admission and before commencement of trading in those securities; and
  - (d) all other fees shall be paid as and when the GFIM, with the SEC's approval, may direct.

#### **4. Trading Commissions**

- (1) Transactions executed in securities traded on the GFIM shall attract commissions on the buy-side as well as the sell-side as specified below:
- (i) Members' commission – contained in the spread or charged as a commission; and
  - (ii) Regulators' commission – 0.01% of the clean value
- (2) The regulators' commission shall not be subject to any negotiation and shall be deducted at source from the settlement funds of the buying and selling Members at the time and apportioned as follows:
- (i) GFIM – 45/100 of the 0.01%;
  - (ii) CSD – 28/100 of the 0.01%;
  - (iii) SEC – 25/100 of the 0.01%; and
  - (iv) Market Development – 2/100 of the 0.01%.

The amount apportioned for market development in (iv) above shall be submitted to the SEC.

- (3) The GFIM Committee shall have the power to review the regulatory commission, including the power to impose a cap on the absolute amount of the commission that a client shall pay on a transaction, with the approval of the SEC.

# GFIM

**MEMBERSHIP  
REGISTRATION FORM**

### APPLICANT INFORMATION

Name of Company:

Registered/Head Office Address:

Telephone:

Company Email Address:

### APPLICANT CONTACT DETAILS

Name:

Telephone/Mobile:

Email Address:

### CATEGORY OF MEMBERSHIP (Please Tick)

- |  |                          |
|--|--------------------------|
| 1. Primary Dealer Bank                                 | <input type="checkbox"/> |
| 2. Non-Primary Dealer Bank                             | <input type="checkbox"/> |
| 3. Broker-Dealer licensed by SEC                       | <input type="checkbox"/> |
| 4. Licensed Dealing Member of the Ghana Stock Exchange | <input type="checkbox"/> |

KEY OFFICERS/TRADERS	
<b>TREASURER</b>	
Name:	
Email:	Telephone:
<b>COMPLIANCE OFFICER</b>	
Name:	
Email:	Telephone:
<b>DEALING OFFICERS/BROKERS</b>	
Name:	
Email:	Telephone:
Name:	
Email:	Telephone:

**Completed forms should be submitted to:**

GHANA STOCK EXCHANGE

ATTN: GFIM SECRETARIAT

5<sup>TH</sup> FLOOR, CEDI HOUSE

LIBERIA ROAD, ACCRA

All requests for clarification should be sent via email to [gfim@gse.com.gh](mailto:gfim@gse.com.gh) or

call +(233) 302 669 908/14/38

**Documents to be Attached to Membership Registration Form**

1. Company Profile
2. Resume of Directors & Key Officers
3. Board Resolution in support of Application to become GFIM Member
4. List of All Shareholders & Beneficial Owners holding 5% or more at the time of Application
5. Resumes of GFIM Traders or RSDs
6. Certified True Copy of SEC Broker-Dealer Licence for GFIM Member
7. Certified True Copy of SEC Broker-Dealer Representative Licence for GFIM Traders or RSDs
8. Signed Undertaking to Abide by GFIM Rules
9. Evidence of Payment of Application Fee

**Additional Documents to be Submitted by Member to GFIM Prior to Commencement of Trading on GFIM:**

- i. Depository Participant Agreement with CSD
- ii. Evidence of Sign-Up to GFIM-Approved Trading System(s)