

# **INFORMATION BULLETIN FOR NON-RESIDENT INVESTORS (GHANAIS & FOREIGNERS)**

## **1. BRIEF HISTORY**

The Ghana Stock Exchange was incorporated in July, 1989 as a private company limited by guarantee under Ghana's companies code, 1963 (Act 179). The Exchange was given recognition as an authorized stock exchange under the Stock Exchange Act of 1971 and commenced trading on November 12, 1990. In April 1994, The Exchange converted into a public company limited by guarantee.

The Ghana Stock Exchange is a private sector initiative and is not funded by government but has enjoyed the support of the Government of Ghana. Currently there are sixteen stock broking firms licensed to deal on the exchange. These are: Merban Stockbrokers Ltd, EDC Stockbrokers Ltd, NTHC Securities Ltd., Gold Coast Securities Ltd, New World Investments Ltd., Databank Brokerage Ltd, Strategic African Securities Ltd., CDH Securities Ltd., CAL Brokers Ltd., SDC Brokerage Services Ltd., First Atlantic Brokers Ltd., Worldwide Securities Ltd., Prudential Securities Ltd., HFC Brokerage Services Ltd, SIC-Financial Services Ltd. and Capital Alliance Co. Ltd.

## **2. STRUCTURE**

The Exchange is governed by a Council with representation from six constituencies: licensed dealing members; listed companies; the banks; insurance companies; money market and allied institutions as well as the general public. The Managing Director of the Exchange is an ex-officio member of the governing Council. The Council sets policies for the Exchange. Its functions include regulating trading and settlement and granting approvals for listing, maintaining public confidence in the market and promoting the Exchange. It has the power to suspend or expel any licensed dealing member that contravenes the rules of the Exchange. The Council's membership includes some of the most distinguished and competent persons in the Ghanaian commerce, industry, finance and public service.

## **3. OFFICIAL TRADING HOURS**

Trading takes place daily from Monday to Friday at 9:30am

## **4. MARKET CAPITALIZATION**

Market Capitalization is an indication of the value of all the listed companies. As at June 30, 2007 the total market capitalization of the Exchange was GH¢11.47 million (US\$12.34 million).

## 5. TRADING VOLUME

Volumes traded are regularly published in “GSE Market Statistics”. For example between January to June, 2007, 135.85 million shares have been traded.

## 6. INDEX

GSE All-shares Index is the main index of the Exchange.

## 7. TYPES OF SECURITIES LISTED.

|                   |   |            |
|-------------------|---|------------|
| Ordinary shares   | - | 32         |
| Preference Shares | - | 1          |
| Debt securities   | - | 3          |
|                   | - | Corporate  |
|                   | - | Government |
|                   | - | 2yrs       |
|                   | - | 3yrs       |
|                   | - | 5yrs       |

## 8. ORDINARY SHARES LISTED

1. Accra Brewery Ltd. (ABL)
2. AngloGold Ashanti Ltd (AGA)
3. Aluworks Ltd. (ALW)
4. Ayrton Drug Co. Ltd (AYRTN)
5. Benso Oil Palm Plantation Ltd (BOPP)
6. British American Tobacco Gh Ltd. (BAT)
7. CAL Bank Ltd. (CAL)
8. CFAO Ghana Ltd (CFAO)
9. Camelot Ghana Ltd (CMLT)
10. Cocoa Processing Co. Ltd. (CPC)
11. Clydestone (Gh.) Ltd. (CLYD)
12. Ecobank Ghana Ltd (EBG)
13. Enterprise Insurance Co. Ltd (EIC)
14. Ecobank Transnational Inc. (ETI)
15. Fan Milk Ltd. (FML)
16. Ghana Commercial Bank Ltd. (GCB)
17. Golden Web Co. Ltd (GWEB)
18. Guinness Ghana Breweries Ltd. (GGBL)
19. HFC Bank Ltd (HFC)
20. Mechanical Lloyd Company Ltd. (MLC)
21. Pioneer Kitchenware Ltd. (PKL)
22. Produce Buying Company Ltd. (PBC)
23. PZ Cussons Gh. Ltd. (PZ)
24. Standard Chartered Bank Gh. Ld. (SCB)
25. Sam Woode Ltd (SWL)

26. Starwin Product Ltd (SPL)
27. Super Paper Products Company Ltd. (SPPC)
28. SG-SSB Ltd. (SG-SSB)
29. Trust Bank Ltd (The Gambia) (TBL)
30. Transaction Solutions Ltd. (Transol)
31. Total Ghana Ltd. (Total)
32. Unilever Ghana Ltd. (UNIL)

#### **PREFERENCE SHARES:**

SCB preference Shares (SCB PREF)

#### **CORPORATE BONDS:**

HFC Series 'H' Dollar Housbond

HFC Series 'J'

SCB Medium Term Notes (Series 01)

#### **GOVERNMENT BONDS**

Government of Ghana 2, 3, and 5years Bonds

### **13. TRADING SYSTEM**

Trading which is manual is carried on the floor of the Exchange under the Continuous Auction Trading (CAT) system. There is an on-going project to fully automate the Trading Platform in 2007.

### **14. DELIVERY AND SETTLEMENT**

Settlement is manual but centralized. Currently, the settlement period is T+3 business days. It is on delivery versus payment (dvp) basis and the seller (stockbroker) of the security is responsible for the validity of all documents delivered. Ghana has a functional Depository. Currently there is a programme in place following the passage of a Depository Bill into law, to migrate all listed corporate securities into the Depository. Already all Government debt instruments are in the Depository.

### **15. COMMISION RATES**

Trade commissions have been partially liberalized

A minimum of 1.5% and a maximum of 2.5% are charged as commission on the value of shares traded. This is the first stage towards full liberalization in due course.

## **16. REGULATIONS AFFECTING FOREIGN AND NON-RESIDENT INVESTORS**

Under the Foreign Exchange Act of 2006 (Act 723):-

The ten percent (10%) limit placed on non-resident foreign investors' holdings in securities listed on the Ghana Stock Exchange has been lifted. The 74% limit on the holdings of all non-resident foreign investors in any listed security has also been lifted.

Investors both local and foreign are however to note that the acquisition of a ten percent (10%) stake in any listed banking stock requires prior approval by Bank of Ghana under the Banking Act, 2004 (Act 673).

Non-resident foreigners are permitted to invest in money market instruments of a tenor of three or more years. For the avoidance of doubt, the Government of Ghana's listed 5-Year Bond due December 2011 is available to non-resident foreigners.

Non-resident companies wishing to issue securities on the local stock market will require prior approval from both the Securities and Exchange Commission and the Bank of Ghana. The transfer or repatriation of proceeds from the sale must be reported to the Bank of Ghana.

The following may be issued with listed securities and may deal in the same through the Exchange:

- i) externally resident Ghanaians; and
- ii) non-Ghanaians resident in Ghana.

In relation to investments made by external residents in listed securities, the following shall qualify for full and free foreign exchange remittability:

- i) the original capital or principal amounts;
- ii) any capital gains;
- iii) dividends or interest payments; and
- iv) related earnings and refunds.

## **17. PROCEDURES FOR NON-RESIDENTS INVESTING THROUGH THE STOCK EXCHANGE.**

There are sixteen licensed stockbroking firms, which have set up systems for servicing non-residents. Their names and addresses are provided in this brochure. Please contact any of the stockbrokers directly.

Custodial service for non-resident investors is provided by Barclays Bank of Ghana Ltd. Head office, P O Box 2949, Accra; Tel 233-21-664901/4; Merchant Bank (Ghana) Ltd, Merban House, P O Box 401, Accra; Tel; 233-21-666331; and Stanbic Bank Ghana Ltd., P O Box CT 2344 Cantonments, Accra. Tel: 233-21-250071/-5.

## **18. INVESTOR PROTECTION PROVISIONS**

The market has various regulations, which have been designed to protect investors and these are:

- A. MEMBERSHIP RULES** – stipulate criteria for membership of the Exchange, rules to be complied with by Licensed Dealing Members in their operations, code of conduct or ethics for members, etc
  
- B. LISTING RULES** – These rules prescribe among others criteria for listing securities; application procedures; contents of application and prospectus; continued obligations of the listed companies and provisional listing procedures

Under the **SECURITIES INDUSTRY LAW PNDCL 333 (1993)** as amended, the apex regulatory body in the securities market is the Securities and Exchange Commission, Ghana, whose functions include:

- maintaining surveillance over the securities business to ensure orderly, fair and equitable dealing in securities.
  
- registering, licensing, authorizing, or regulating the stock exchange, investment advisors, securities dealers, etc.
  
- protecting the integrity of the securities market against any abuses arising from the practice of insider trading, etc.

**For further information contact any of the following Licensed Dealing Members or the Marketing Department of the GSE.**

**1. MERBAN STOCKBROKERS LTD**

HEAD OFFICE ANNEX  
57 EXAMINANTION LOOP,  
NORTH RIDGE  
P O BOX 401, ACCRA  
TEL: (233-21) 66633-3/670463/251131-3  
TLX: 2718 MERBAN GH  
FAX: (233-21) 667305  
e-mail: merbanservice @merbangh.com

**2. EDC STOCKBROKERS LTD**

**19 SEVENTH AVENUE, RIDGE (WEST)**  
P O BOX 16746 ACCRA – NORTH  
TEL: (233-21) 223716/7011856 – 7  
TLX: 2718 ECOBANK  
FAX: (233-21) 775406  
e-mail: [sbebga@ecobank.com](mailto:sbebga@ecobank.com)

**3. NTHC SECURITIES LTD**

MARTCO HOUSE, KWAME NKRUMAH AVENUE  
P O BOX 16746 ACCRA-NORTH  
TEL: (233-21) 238492-3  
FAX: (233-21) 229975  
e-mail: nthc@ghana.com

**4. GOLD COAST SECURITIES LTD**

NO. 18,18<sup>TH</sup> AVENUE RIDGE  
P O BOX 453 ACCRA  
TEL: (233-21) 256342-3  
(233-21) 256342-3  
FAX: 256344  
e-mail [gsc@goldcoas.com](mailto:gsc@goldcoas.com)

**5. DATABANK BROKERAGE LTD.**

NO. 61 BARNES ROAD, ADABRAKA  
PRIVATE MAIL BAG  
MINISTRIES POST OFFICE, ACCRA  
TEL: (233-21) 681404/681384  
FAX: (233-21) 669110,681443  
e-mail: info@databankgroup.com

**6. FIRST ATLANTIC BROKERS LTD**  
NUMBER 1 SEVENTH AVENUE  
P O BOX CT 1620. CANTONMENT, ACCRA  
TEL: (233-21) 679259 / 682203-4 / 680825-6 / 679248  
FAX: (233-21) 775743, 679250  
e-mail: [brokers@firstatlanticbank.com](mailto:brokers@firstatlanticbank.com)

**7. SDC BROKERAGE SERVICES LTD.**  
P O BOX CT 628, ACCRA  
TEL: (233-21) 771284/770936/768386  
FAX: 768046  
e-mail: [brokerage@sdcgh.com](mailto:brokerage@sdcgh.com)

**8. CDH SECURITIES LIMITED**  
3<sup>RD</sup> FLOOR, TOWER BLOCK  
SSNIT PENSION HOUSE  
P O BOX 14911, ACCRA-NORTH  
TEL: (233-21) 671050 / 668437  
FAX: (233-21) 662167  
e-mail: [cdh2@ncs.com.gh](mailto:cdh2@ncs.com.gh)

**9. CAL BROKERS LIMITED**  
45 INDEPENDENCE AVENUE  
P O BOX 14596, ACCRA  
TEL: (233-21) 221056 / 221087 / 231102  
FAX: (233-21) 668657 / 231104  
e-mail: [calbrokers@calbank-gh.com](mailto:calbrokers@calbank-gh.com)

**10. STRATEGIC AFRICAN SECURITIES LTD**  
2<sup>ND</sup> RIDGE LINK, NORTH RIDGE  
P O BOX 16446, AIRPORT, ACCRA  
TEL: (233-21) 251546-9 / 7011770-3  
e-mail: [sasltd@africaonline.com.gh](mailto:sasltd@africaonline.com.gh)

**11. NEW WORLD INVESTMENTS LTD**  
2<sup>ND</sup> FLOOR, HERITAGE TOWER  
AMBASSADORIAL ENCLOSE (OPP.CEDI HOUSE)  
OFF LIBERIA ROAD  
P O BOX CT 2868  
CANTONMENT, ACCRA  
TEL: (233-21) 660163, 676979, and 676980  
FAX: (233-21) 228610, 670518  
e-mail: [service@newworldgh.com](mailto:service@newworldgh.com)

- 12. WORLDWIDE SECURITIES LTD**  
P O BOX OS 01072, OSU, ACCRA  
TEL: 764578-9  
FAX: 764580  
e-mail: [wic@africaonline.com.gh](mailto:wic@africaonline.com.gh)
- 13. PRUDENTIAL SECURITIES LTD.**  
P O BOX CT 628, ACCRA  
TEL: (233-21) 771284 / 770936 / 768386  
FAX: (233-21) 768046  
e-mail: [ifor@prudentialsecuritiesghana.com](mailto:ifor@prudentialsecuritiesghana.com)
- 14. HFC BROKERAGE SERVICES LTD**  
P O BOX CT 4603, CANTONMENT. ACCRA  
TEL: 665095 / 664214 / 664203  
FAX: (233-21) 664106  
e-mail: [hfcomp@hfcbank/gh.com](mailto:hfcomp@hfcbank/gh.com)
- 15. SIC FINANCIAL SERVICES LTD.**  
28/29 RING ROAD EAST (NYEMITEI HOUSE) OSU  
P O BOX 2363, ACCRA  
TEL: (233-21) 767051 / 7671636 / 767117  
FAX: (233-21) 767021  
e-mail: [infofsl@sic.gh.com](mailto:infofsl@sic.gh.com)
- 16. CAPITAL ALLIANCE CO. LTD**  
P. O. BOX KA9544, AIRPORT, ACCRA  
TEL: 769261/769755  
FAX: 772537