

IN THE FOURTH SESSION OF THE SIXTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

REPORT OF THE FINANCE COMMITTEE

ON

THE SECURITIES INDUSTRY BILL, 2015

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**REPORT OF THE FINANCE COMMITTEE ON THE SECURITIES
INDUSTRY BILL, 2015**

1.0 INTRODUCTION

The Securities Industry Bill, 2015 was presented to Parliament on behalf of the Minister for Finance by the Hon. Deputy Minister for Finance, Mr. Cassiel Ato Baah Forson and read the first time on Tuesday 14th July, 2015. The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with Article 174 (1) of the 1992 Constitution and Order 169 and 125 of the Standing Orders of the Parliament of Ghana.

The Hon. Deputy Minister of Finance, Ms. Mona K. Quartey, the Director-general of the Securities and Exchange Commission (SEC), Dr. Adu A. Antwi, and other officials from the Ministry of Finance, Securities and Exchange Commission, and Attorney General's Department assisted the Committee in its deliberations. Representatives of the Institute of Chartered Accountants, Ghana also attended upon the Committee during its deliberations.

The Committee is grateful to the Hon. Deputy Minister and the other officials for the support and assistance.

2.0 REFERENCE

The Committee referred to the following additional documents during its deliberations:

- a. The 1992 Constitution of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. Securities Industry Law, 1993 (PNDCL 333)
- d. Securities Industry (Amendment) Act, 2000 (Act 590)
- e. Companies Code, 1960 (Act 163)
- f. Interpretation Act, 1960 (CA4)

3.0 BACKGROUND

The Security Industry Act, 1993 (PNDCL 333) was enacted in 1993 to provide a legal framework to regulate the securities industry and other related matters. It was subsequently amended by the Securities Industry (Amendment) Act, 2000 (Act 590). It has however become necessary to further amend the Security Industry Act, 1993 (PNDCL 333) to accord with international standards and best practice as required by the International Organisation of Securities Commissions (IOSCO) in conformity with IOSCO's principles and objectives of securities regulation and to address weakness identified in the existing law.

4.0 PURPOSE OF THE BILL

The Bill seeks to revise and consolidate existing laws relating to the securities industry.

5.0 DIVISIONS OF THE BILL

The Securities Industry Bill, 2015 is divided into Eight (8) parts with two hundred and twenty-six (226) Clauses.

Part one of the Bill, clause 1 to 41 deals with the Securities and Exchange Commission as a body corporate with the usual body corporate attributes. It specifically deals with the Establishment, Administration, Finances and Administrative Hearings Committee of the Commission. Other issues provided under this part include production of Books and Documents, Disclosure of Information, Investigation and Inspection, Orders of the Courts and Statements of Principle and Exchange of Information and Co-operation.

Part Two of the Bill is divided into two main sections namely the establishment of securities exchanges and other self-regulatory organisations. Securities exchanges have been extensively provided for under clause 42 to 49 while the regulation of other self-regulatory organizations is provided for in *clause 50 to 58*.

Part three of the bill, thus clause 59 to 108 deals comprehensively with the operation, establishment, application for licences, duties and powers of managers, protection of investors' interest, exemptions and grants and revocation of licences in respect of unit trust and mutual funds.

Part Four of the Bill, clause 109 to 124, provides for market operators' licence and for the procedure for the application of a market operator's licence and the grant and renewal of a licence. It further mandates the Commission to keep a register of licence holders. Provision is also made in Part Four for the grounds for the revocation or suspension of licence and notification of change of particulars by licence holders.

Clause 125 to 131 deals with registers of Interests in Securities. Being the first section of Part Five, these Clauses provides for a broker- dealer, a fund manager, an investment adviser, their representatives or a financial journalist to maintain in a prescribed form a

register of securities in which they have interests a requires that they notify the Commission of particulars in respect of the register. It also empowers the Commission to order a person to produce a register for inspection.

Clause 132 to 146 of Part Five deals with the Conduct of Securities Business. Securities trading and related offences is dealt with in *clause 147 to 153*, whilst *clause 154 to 155* stipulates the penalties for breach of the Act.

Part Six of the Bill on accounts and audit is provided for in clause 156 to 173. This Part revises the penalty units for various offences under the Securities Industry Act, 1993 (PNDCL 333).

Clause 174 to 196 constitutes Part Seven of the Bill and deals with the Fidelity Fund. It specifically provide for the establishment of the fund and moneys constituting the fund. Management Committee of the fidelity fund and the Minimum Amount that is required to be kept in the Fidelity Fund and Levy of Liabilities are also provided for. Other provisions include Advances to the Fund, Investment and Application of the Fund, Claims against the Fund and Power of the Governing Body to Settle Claims. *Clause 196* provides definitions for terminologies used in Part Seven.

Part eight of the Bill, Clause 197 to 218 which is the final part of the bill deals with miscellaneous provisions.

Transitional provisions are dealt with in clause 219.

6.0 OBSERVATION

Importance of the Bill

The Committee noted during its deliberations that the laws that regulate the securities sector were over twenty years old and as such some provisions have become obsolete

given the dynamic nature of the industry. The Committee was particularly, informed that, the Security Industry Act, 1993 (PNDCL 333) and Securities Industry (Amendment) Act, 2000 (Act 590) which currently provide the legal framework and regulate the securities industry in Ghana do not meet international standard. As a result, Ghana has been suspended from participating in the activities of International Organisation of Securities Commissions (IOSCO).

The Committee however, noticed that the provisions of the Bill when passed would ensure compliance with IOSCO objectives and principles and provide a comprehensive legal framework for the securities industry in the country. Further the passage of the Bill will also strengthen the operational independence of the Securities and Exchange Commission for an effective and efficient regulation of the securities industry, sustain investor confidence in our security market and help SEC regain its membership status of IOSCO.

7.0 PROPOSED AMENDMENTS:

- i. Clause 3 - **Amendment proposed** –
 - a. line 1, after “object” insert “comma”.
 - b. Sub-clause (xx), delete “and”
 - c. Sub-clause (c) paragraph (xxi) line 1, delete “agents” and insert “representatives”
 - d. sub-clause (c) insert a new paragraph (xxii) as follows:
“(xxii) any other institution in the security industry; and”
 - e. sub-clause (m) delete and consequentially insert “and” after “issuers,” in sub-clause (l)
 - f. paragraph (j), *delete* “section 279 of”
- ii. Clause 4 - **Amendment proposed** – sub-clause (1)
 - a. paragraph (d) line 1, insert “each” after “representative”

- b. paragraph (f) (i) lines 1 and 2, delete the phrase “either a Justice of the Superior Court of Judicature or” and in line 3, after “Judicature” insert nominated by the Legal Counsel”;
 - c. paragraph (f) (ii) insert “nominated by the Chartered Institute of Accountants, Ghana” after “accountant”
 - d. paragraph (f) (iii), insert “in a relevant field” after “researcher”
- iii. **Clause 5 - Amendment proposed –**
- a. sub-clause (4) line 3, after “Board” delete “without sufficient cause”
 - b. sub-clause (5) line 1, insert “a” before “letter”
- iv. **Clause 6 - Amendment proposed –**
- a. sub-clause (3) line 1, delete “five” and insert “seven” and in lines 2, and 3, delete the words ”or a greater number determined by the Board in respect of an important matter”
 - b. sub-clause (4) line 2, after “Board” insert “other than the Director-General or the Deputy Directors-General”
- v. **Clause 9 - Amendment proposed –** sub-clause (9) after “paid” delete “the”
- vi. **Clause 15 - Amendment proposed –**
- a. sub-clause (3) line 1, delete “shall” and insert “may”
 - b. sub-clause (5) line 1 delete “may” and insert “shall”
 - c. sub-clause (6) insert “and the Commission may arrange with the Pensions Regulator for part of the fees payable to the Pensions Regular on such funds” at the end.
- Clause 16 - Amendment proposed –**
- a. sub-clause (2) line 2, delete “four” and insert “three”
 - b. sub-clause (3) line 1, delete “two” and insert “three”
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- vii. ~~**Clause 17 - Amendment proposed**~~
- a. sub-clause (2) (a) delete

- b. sub-clause (b) insert “including the audited accounts of the Commission” after “Auditor-General”
- viii. **Clause 18 - Amendment proposed –**
 - a. sub-clause (2) delete and insert the following:
 - ”(2) The Hearing Committee consists of three members of the Board elected by the members, except that the chairperson of the Board, the Director-General and the two Deputy Directors-General shall not be members”
 - b. Sub-clause (3) line 2, delete “five” and insert “three”
- ix. **Clause 19 - Amendment proposed –**
 - a. sub-clause (3) line 2, after “Director-General” insert “can settle the disputed matter or complaint” and delete (a) and (b)
 - b. sub-clause (5) delete all words after “court” in lines 2 and 3.
- x. **Clause 21 - Amendment proposed –** sub-clause (5) line 3, delete “ninety” and insert “sixty”
- xi. **Clause 23 - Amendment proposed –**
 - a. Head note delete and insert the following: “Appeals from the decisions of the Board with reference to the Hearing Committee”
 - b. delete Clause 23 and insert the following
 - “23 A person dissatisfied with the decision of the Board with reference to the Hearing Committee may seek redress at the High Court”
- xii. **Clause 24 - Amendment proposed –**
 - a. sub-clause (1) (a) delete and insert “a licensee or former licensee” and (c), add “or a former issuer” after “issuer”
 - b. sub-clause (12) line 1, delete “any” after “disseminate”
- xiii. **Clause 25 – Amendment proposed –** Head note delete and insert the following:
 - “Action on production or non-production of books”
- xiv. **Clause 26 – Amendment proposed –** Head note delete and insert the following:
 - “Order by a High Court to search premises”
- xv. **Clause 27 - Amendment proposed –** sub-clause (1) line 3, delete “authorised”
- xvi. **Clause 30 - Amendment proposed –** sub-clause (2) line 2, delete “a fine” and insert “an administrative penalty”

- xvii. Clause 34 – **Amendment proposed** – Sub-clause (2) (f), line 2, insert “a” before “fund”.
- xviii. Clause 36 - **Amendment proposed** –
- a. sub-clause (1) (a) and (b) respectively delete “any” and insert “a”
 - b. sub-clause (2) lines 1 and 2, delete “possessed of” and insert “who has”
 - c. sub-clause (5) line 4, delete “a fine” and insert “an administrative penalty”
- xix. Clause 37 – **Amendment proposed** –
- a. Sub-clause (1) delete and insert the following:
 - (1) The Commission may in writing request the Bank of Ghana banking records or information held by a bank or specialized deposit-taking institution on any transaction concerning a person under investigation where the Commission is of the opinion that the bank or specialized deposit-taking institution is a proper person to assist with the investigation.
 - b. Insert a new sub-clause (2) to read as follows:
 - (2) Where a document is produced to the Commission, the Commission shall make copies of the document or obtain an extracts from the document and request the person producing the document to provide an explanation on the contents of the document where necessary.
 - c. Sequentially renumber the remaining sub-clauses.
- xx. Clause 38 – **Amendment proposed** –
- a. Sub-clause (2) (a), line 3, delete “an order”
 - b. Sub-clause (9), line 1, delete the words “by it” after “made”.
- xxi. Clause 39 – **Amendment proposed** – Sub-clause (5), line 1, after “principle” *add* “issued by the Commission” and line 3 delete “the” and insert “that”.
- xxii. Clause 43 – **Amendment proposed** –
- a. Sub-clause (1), line 1, delete “may” and *insert* “shall”.
 - b. Sub-clause (3), paragraph (b), sub paragraph (ii), line 1, delete “disciplining” and *insert* “discipline”.
 - c. Sub-clause (3), paragraph (b), sub paragraph (iv), line 2, delete all words after “corporate”

d. insert a new sub-clause after (3) as follows:

“(4) The grant by the Commission of approval as a securities exchange shall be within three months from the date of application for approval as securities exchange.”

xxiii. Clause 44 – **Amendment proposed** –

a. sub-clause (2) line 1, delete “may” and insert “shall, within three months,”

b. Sub-clause (4), before “post” add “registered”.

xxiv. Clause 48 – **Amendment proposed** –

a. Sub-clause (1), paragraph (b) line 3, delete “purchases” insert “trading”

b. sub-clause (2) line 3, delete “a fine” and insert “an administrative penalty” and in line 4, delete “a fine” and insert “an administrative penalty”

xxv. Clause 49 – **Amendment proposed** – Sub-clause (4), line 3, delete “a fine” and insert “an administrative penalty” and line 4, delete “fine” and insert “administrative penalty” and further delete “defaults” and *insert* “default”.

xxvi. Clause 50 – **Amendment proposed** – Sub-clause (1), line 4, delete “security industry, if” and insert “securities industry, where”

xxvii. Clause 51 – **Amendment proposed** – Sub-clause (3), line 3, delete “one” and insert “three”.

xxviii. Clause 59 – **Amendment proposed** – Sub-clause (3), line 2, delete “a fine” and insert “an administrative penalty”.

xxix. Clause 63 – **Amendment proposed** – Insert new sub-clause (4)

(4) The Commission shall not refuse to grant or renew a license without first giving the applicant or the holder of the license an opportunity of being heard.”

xxx. Clause 64 – **Amendment proposed** – Sub-clause (2), line 2, delete “a fine” and *insert* “an administrative penalty”.

xxxi. Clause 70 – **Amendment proposed** – Sub-clause (4), paragraphs (a) and (b) line 1, respectively delete “a fine” and insert “an administrative penalty”.

xxxii. Clause 71 – **Amendment proposed** – Sub-clause (2), line 2, delete “a fine” and *insert* “an administrative penalty”.

xxxiii. Clause 74 – **Amendment proposed** –

- a. sub-clause (1) (d) delete “country” and insert “Republic”
 - b. sub-clause (2) line 1, delete “Board” and insert “Commission”
 - c. Insert new sub-clause (3) as follows:
“(3) The Commission shall not refuse to grant or renew a license without first giving the applicant or the holder of the license an opportunity of being heard.”
- xxxiv. Clause 78 – **Amendment proposed** – Sub-clause (3), line 2, delete “a fine” and insert “an administrative penalty”.
- xxxv. Clause 81 – **Amendment proposed** – sub-clause (4) line 3, delete “directed” and insert “determined”
- xxxvi. Clause 86 – **Amendment proposed** – sub-clause (1) line 1, insert “ scheme particulars, regulations and any other documents use to operate” after “in”
- xxxvii. Clause 87 – **Amendment proposed** – Sub-clause (4), line 1, delete “may” and insert “shall”.
- xxxviii. Clause 88 – **Amendment proposed** – Sub-clause (1), line 1, after “trustee” add “of a unit trust”.
- xxxix. Clause 89 – **Amendment proposed** – Sub-clause (1), line 2, after “trustee” *add* “of the unit trust”.
- xl. Clause 91 – **Amendment proposed**- sub-clause (2) line 1, delete “Paragraph” and insert “Paragraphs”
- xli. Clause 92 – **Amendment proposed** – line 3 delete “a percentage” and insert “ten percent” and in line 4, delete the words “that the commission may determine”.
- xlii. Clause 99 – **Amendment proposed** – Sub-clause (1), line 2, delete “scheme’s constitution” and insert “constitution of the scheme”.
- xliii. Clause 103 – **Amendment proposed** –
- a. transposed as 104
 - b. Sub-clause (3) line 2, delete “twenty-one” and insert “thirty”
 - c. Sub-clause (4), delete and insert the following
“(4) The Commission may revoke the licence of a scheme if
~~(a) after the expiration of the period the scheme has not made representations; or~~
(b) it is not satisfied with representations made by the scheme.”
- c. Clause 103 should be renumbered as Clause 104

- xliv. Clause 104 – **Amendment proposed** –
- a. Clause 104 should be renumbered as Clause 103
 - b. sub-clause (2) (b) line 2 delete “thirty” and insert “twenty-one”
 - c. sub-clause (3) line 1, delete “revoke” and insert “suspend”
 - d. insert a new sub-clause (4) as follows:
“(4) The Commission shall communicate its decision to suspend the licence of the unit trust or mutual fund within thirty days after the representations have been made or if none is made, within thirty days after the last day for making the representation”
- xlv. Clause 107 – **Amendment proposed** – Sub-clause (3), line 2, delete “a fine” and insert “an administrative penalty”.
- xlvi. Clause 108 – **Amendment proposed** –concluding paragraph, delete “a fine” and *insert* “an administrative penalty”.
- xlvii. Clause 109 – **Amendment proposed** –
- a. Sub-clause (1), line 4, after depository, delete “and” and *insert* “comma” and in line 8, delete “the” and insert “this”
 - b. Insert a new sub-clause (4) as follows:
“(4) A person authorized by the Commission may
 - (a) enter any premises or property which the Commission has reason to believe is occupied or used by a person in contravention of this Act;
 - (b) search for a book, record statement, document or any other item;
 - (c) seize or make a copy of a book, record statement, document or any other item;
 - (d) question a person, auditor, director, member of a partner of a person conducting business on the premises;
 - (e) direct that the premises or any part of it or anything on it be secured and left undisturbed for as long as necessary; and
 - (f) close down the business as the Commission considers necessary.”
- xlviii. Clause 118 – **Amendment proposed** – Sub-clause (4), line 3, delete “a fine” and *insert* “an administrative penalty”.
- xlix. Clause 121 – **Amendment proposed** –
- a. Sub-clause (1), paragraph (a), insert new sub paragraph as follows”

- “(ii) the names of the directors and principal officers of the holder”.
- b. renumber the sub-paragraphs after (i) in sequential order.
- l. **Clause 123 – Amendment proposed** – insert a new sub-clause (2) as follows:
 “(2)”where the Commission is satisfied that a person as obtained moneys without a licence or contrary to the terms of the licence of the person, the Commission shall, in writing, instruct that person to
- (a) repay all the moneys obtained and the profits accruing to that person;
 - (b) return assets acquired as a result of the illegally obtained moneys or deposits; or
 - (c) pay any interest or other amounts which may be owed by that person in respect of those moneys, to the respective persons from whom the moneys were obtained”
- li. **Clause 125 – Amendment proposed** –
- a. sub-clause (1) paragraph (a), insert “a” before “broker-dealer”
 - b. Sub-clause (1), paragraph (g), delete and insert “independent financial analyst”
 - b. Sub-clause (2), paragraph (a), delete and insert “independent financial analyst”
- lii. **Clause 127 – Amendment proposed** – sub-clause (5) line 2, delete “a fine” and insert “an administrative penalty”
- liii. **Clause 129 - Amendment proposed** - Sub-clause (2), line 3, delete “a fine” and *insert* “an administrative penalty”.
- liv. **Clause 130 – Amendment proposed** –
- a. Head note, delete “financial journalists” and *insert* “independent financial analysts”.
 - b. Sub-clause (1) delete “the proprietor or publisher of a newspaper or periodical” and insert “an issuer of financial analysis or report concerning securities”
 - c. Sub-clause (1) (a) line 1, delete “financial journalist” and *insert* “independent financial analyst”.
 - d. Sub-clause (1) (b) line 1, delete “financial journalists” and *insert* “independent financial analysts”.
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- e. Sub-clause (1) paragraph (a). Delete “published in a newspaper or periodical owned or published by that proprietor or publisher” and replace with issued”.

- f. Sub-clause (2). Delete “A proprietor or publisher of a newspaper or periodical” and replace with “An issuer of financial analysis or report concerning securities”.
- lv. **Clause 133 – Amendment proposed –**
- a. Sub-clause (1), line 2, after “contract” *add* “note”.
- b. sub-clause (2) paragraph (h) line 1, delete “and” after duties and insert comma and after “taxes” and insert “and charges”
- lvi. **Clause 134 – Amendment proposed –**
- a. Sub-clause (1) delete and insert the following:
 “134. (1) where a person who is
- (a) a broker-dealer, fund manager, investment adviser; or
- (b) A representative of a broker-dealer, fund manager or an investment adviser, send circulars or other similar written communications in which that person makes a recommendation, whether expressly or by implication, with respect to securities or a class of securities, that person shall ensure that, there is included in each circular or communication in type, not less legible than that used in the remainder of the circular or communication, a concise statement of the nature of
- (c) Any interest in the securities or class of securities, or
- (d) Any interest in the acquisition or disposal of those securities or those securities included in that class,
- that broker-dealer, fund manager, investment adviser or their representatives or a person associated with that broker-dealer, fund manager, investment adviser or their representatives has, at the date on which the circular or communication is sent”
- b. Sub-clause (6) line 5, delete “subsections” and insert “subsection”
- c. Sub-clause 7 line 5, delete “subsections” and insert “subsection” and also delete “apply” and insert “applies”
- lvii. **Clause 135 – Amendment proposed –** Sub-clause (5), paragraph (a), line 3, after “broker-dealer” add “representative of fund manager”.

- lviii. Clause 137 – **Amendment proposed** – Sub-clause (3), line 2, delete “a fine” and insert “an administrative penalty”.
- lix. Clause 138 – **Amendment proposed** – delete and insert the following:
“138. A broker-dealer, a fund manager and any other licensed person shall ensure that it operates in a manner that will ensure compliance with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-terrorism Act, 2008 (Act 762) and the Regulations made under these enactments”.
- lx. Clause 140 – **Amendment proposed** – Sub-clause (2), line 2, delete “a fine” and insert “an administrative penalty” and substitute “five hundred” with one thousand”.
- lxi. Clause 145 **Amendment proposed** – sub-clause (2) line 1, delete “Government of Ghana” and insert “Central Government”
- lxii. Clause 147 – **Amendment proposed** – Sub-clause (3) (b), lines 3 and 5, delete “purposes” and *insert* “purports” respectively.
- lxiii. Clause 148 – **Amendment proposed** – Sub-clause (1), line 1, after “concerned” delete “in” and insert “with”
- lxiv. Clause 153 – **Amendment proposed** – Sub-clause (11), paragraph (e), delete “compromise” and insert “composition”.
- lxv. Clause 157 – **Amendment proposed** – Sub-clause (2), line 2, delete “a fine” and *insert* “an administrative penalty”.
- lxvi. Clause 158 – **Amendment proposed** –
 - a. Sub-clause (1), line 4, after “shall” *insert* “comma”.
 - b. Sub-clause (1), paragraph (c), line 1, delete “that”.
 - c. sub-clause (5) line 2, delete “a fine” and insert “an administrative penalty”
- lxvii. Clause 159 – **Amendment proposed** – Sub-clause (7), line 2, delete “a fine” and insert “an administrative penalty”.
- lxviii. Clause 160 – **Amendment proposed** – Sub-clause (6), line 7, after “trust” *add* “account”.
- lxix. Clause 161 – **Amendment proposed** –
 - ~~a. Sub-clause (2), paragraph (b), sub paragraph (iii), line 1, after “body” add~~
“corporate”.

- b. sub-clause (4) paragraph (a) line 2, and paragraph (b) line 2, respectively delete “a fine” and insert “an administrative penalty”
- c. Sub-clause (6), line 1, delete “fourteen” and *insert* “thirty” and in line 3, delete “person” and insert “auditor”.
- d. sub-clause (9), delete
- lxx. Clause 163 – **Amendment proposed** – line 1, delete “The”.
- lxxi. Clauses 164 – Amendment proposed – Sub-clause (1), line 5, delete “accounting principles” and insert “internationally acceptable accounting standards” and in line 9, insert “and” before “matters”.
- lxxii. Clause 166 – Amendment proposed – sub-clause (2) paragraph (a) line 1, insert “affected” after “adversely” where it first appears.
- lxxiii. Clause 169 – **Amendment proposed** – paragraph (e), line 2, delete “section”.
- lxxiv. Clause 170 – **Amendment proposed** –
 - a. Head note, delete “banker” and *insert* “bank”.
 - b. opening paragraph lines 1 and 2, delete the phrase “banker, the banker shall” and insert “bank, the bank shall”
 - c. paragraph (a) line 3, delete “banker” and insert “bank” and in paragraph (b) line 3, delete “banker” and insert “bank”
- lxxv. Clause 172 – **Amendment proposed** – Sub-clause (1) delete “moneys” and insert “money” wherever it appears and sub-clause (3), paragraph (c), delete “moneys” and *insert* “money”.
- lxxvi. Clause 175 – **Amendment proposed** – paragraph (a) line 2, insert “stock” before “exchange”
- lxxvii. Clause 176 – **Amendment proposed** – line 3, insert “account” after “bank and delete “Ghana” and insert “the country”.
- lxxviii. Clause 178 – **Amendment proposed** – Sub-clause (1), line 2, delete all words after “fund” to the end of the sentence.
- lxxix. Clause 182 – **Amendment proposed** – Sub-clause (1), line 3, after “the” insert “stock”.
- lxxx. Clause 185 – **Amendment proposed** –
 - a. Sub-clause (1), paragraphs (a) and (b), line 2, before “exchange” insert “stock” respectively.

- b. Sub-clause (2), line 2, before “loss” insert “pecuniary” and in line 3, insert “stock” before “exchange”
 - c. Sub-clause (6), line 2, delete “(4)” insert “(5)”.
 - d. Sub-clause (8), line 1, delete “subsection” and insert “subsections” and in line 4, insert “stock” before “exchange” and “pecuniary” before “loss”
 - e. Sub-clause (9), lines 2, 3 and 7, respectively insert “stock” before “exchange”.
- lxxxii. Clause 186 – **Amendment proposed** – Sub-clause (3), line 7, before “loss” insert “pecuniary”.
- lxxxiii. Clause 188 – **Amendment proposed** –
- a. Sub-clause (2), paragraph (b), line 5, before “exchange” insert “stock” and line 6, before “loss” insert “pecuniary”.
 - b. Sub-clause (4), line 2, delete “detailed”.
 - c. sub-clause (6) line 3 and 6, before “exchange” insert “stock” respectively.
 - d. sub-clause (7) paragraph (b) line 2, delete “would” and insert “may”
- lxxxiiii. Clause 190 – **Amendment proposed** – sub-clause (1) paragraph (b) line 2, insert “stock” before “exchange”
- lxxxv. Clause 191 – **Amendment proposed** – line 4, insert “pecuniary” before “loss”
- lxxxvi. Clause 193 – **Amendment proposed** – sub-clause (2) line 3, before “exchange” insert “stock” and sub-clause (3), line 4, before “exchange” insert “stock”.
- lxxxvii. Clause 194 – **Amendment proposed** –
- a. Sub-clause (2), line 2, before “exchange” insert “stock”.
 - b. Sub-clause (3), line 4, before “exchange” insert “stock”.
- lxxxviii. Clause 197 – **Amendment proposed** –
- a. Replace sub-clause (1) with the following:
 - “(1) A person who is an issuer of public securities and a person licensed under this Act shall prepare accounts in accordance with
 - (a) Internationally accepted accounting standards adopted by Institute of Chartered Accountants, Ghana; and
 - ~~(b) Additional accounting rules and standards prescribed by the~~
 - b. add a new sub-clause (4) (a) and (b) as follows:

- (a) An Auditor of an issuer of public securities and a person licensed under this Act shall hold office for a term of not more than six years and is eligible for re-appointment after a cooling-off period of not less than five years”
 - (b) These cooling-off periods may be varied by the Commission as it deems fit
 - c. the previous sub-clause (4) becomes (5) and in line 2, delete “a fine” and insert “an administrative penalty”
- lxxxviii. Clause 202 – **Amendment proposed** – Sub-clause (1), paragraph (b), line 3, delete “or” before “after” and insert “and not more than seven years”.
- lxxxix. Clause 204 – **Amendment proposed** – Sub-clause (1) line 1, insert the words “ex parte or on notice” after “application”.
- xc. Clause 206 – **Amendment proposed** –
- a. Sub-clause (1), line 3, delete “a fine” and insert “an administrative penalty”.
 - b. Sub-clause (2), paragraph (e), delete “banker” and insert “bank”.
 - c. Sub-clause (2), concluding paragraph, line 1, delete “a fine” and insert “an administrative penalty”.
 - d. Sub-clause (5), line 1, delete “a fine” and insert “an administrative penalty”.
- xc. Clause 207 – **Amendment proposed** –
- a. Headnote, delete and *insert* “Proceedings and prosecution of offences”.
 - b. Sub-clause (1), delete and insert the following
 “The Attorney-General may authorize the Commission to prosecute offences under this Act in accordance with article 88 (4) of the Constitution and section 56 of the Criminal and Other Offences (Procedure) Act, 1960 (Act 30).”
 - c. Sub-clause (2), (3) and (4), Delete.
- xcii. Clause 209 – **Amendment proposed** –
- a. Sub-clause (4), paragraph (b) line 1, delete “a fine” and *insert* “an administrative penalty”.
 - b. Sub-clause (5), delete
- xciii. Clause 215 – **Amendment proposed** – sub-clause (2) paragraph (d) line 1, insert “is” after “required” and line 2, delete “is finished”

xciv. Clause 216 - **Amendment proposed-**

- a. Interpretation of “advertising” line 6, delete “and”
 - b. Interpretation of “Fidelity Fund”, delete “a” after “means” and insert “the”
 - c. Interpretation of “Fund Manager” (a) line 1, delete “or” after “lawyer” and insert “comma” and after “accountant” insert “or any other professional”
 - d. Insert definition for “futures” as follows:

““futures” means a contract to buy specific quantities of a commodity or financial instrument at a specified price with delivery set at a specified time in the future”
 - e. Definition of “futures exchanges” delete and insert the following:

“futures exchange” means a central financial exchange where standardized future contracts can be traded;”
 - f. Insert a definition for “independent financial analyst” as follows:

“Independent financial analyst” means a person who, as part of a regular business issues analysis or report concerning securities”
 - g. Definition of “investment adviser” (b) lines 1 and 2, delete “or publishes”, (b) (iii) line 1, delete “or” after “lawyer” and insert “comma” and after “accountant” insert “or any other professional” and line 4 delete “or” after “lawyer” and insert “comma” and after “accountant” insert “or that professional”
 - h. Definition of a “licensee” line 1, delete “licensed” after “person” and insert “who is granted a license”
 - i. Definition of “listing rules” “(a)” line 3, delete “person” before “for” and insert “persons”
 - j. Insert a definition for “principal officer” as follows:” “principal officer”
 - (a) in relation to a Company, means any director or a person acting as director, secretary or employee of that company in senior management and a receiver and manager of a part of the undertaking of that company appointed under a power contained in an instrument, and a liquidator of a company appointed in a voluntary winding up; and
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(b) In relation to a Partnership, means any partner including a sole surviving or continuing member of a firm of a person acting as such, secretary or employee of that firm in senior management and a receiver and manager of a part of the undertaking of that firm appointed under a power contained in an instrument, and a liquidator of that firm appointed in a voluntary winding up;"

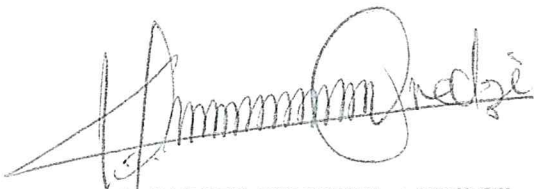
- k. Definition of "Regulations" line 1, delete "the" after "under" and insert "this"
- l. Definition of "securities" "(i)" line 1, delete "the" and insert "this"

8.0 CONCLUSION AND RECOMMENDATION

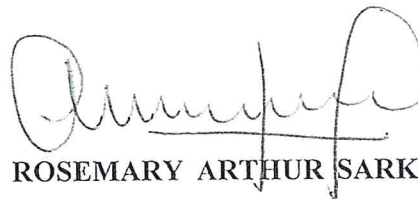
The Committee having carefully examined the Bill is of the view that, the passage of the Bill will help remove regulatory bottlenecks and administrative loopholes in the existing laws and strengthen the Securities market in Ghana. This will also allow for the flow of funds to businesses and make the country's security laws comply with international standards.

The Committee therefore recommends to the House to adopt its report and pass the Securities Industry Bill into law in accordance with Article 106 of the Constitution and Orders 126 and 127 of the Standing Orders of the House.

Respectfully Submitted



HON. JAMES KLUTSE AVEDZI
(CHAIRMAN, FINANCE COMMITTEE)



ROSEMARY ARTHUR SARKODIE (MRS.)
(CLERK, FINANCE COMMITTEE)

March, 2016
