



PRESS COMMUNIQUE

East African Securities Regulators Agree to Collaborate with Communication Regulators

Arusha 13, December 2017.... The regional capital markets regulators, under the umbrella of East African Securities Regulatory Authorities (EASRA), have approved a sample collaboration agreement with the Communication Regulators, noting the increasing benefits of electronic transactions to facilitate obtaining telecommunications related information for purposes of investigation of violations in the capital markets. The Regional Regulators have also approved check lists on licensing and public offers of securities intended to inform the market the basic submission requirements for their application to the authorities.

The regional regulators identified the need to strengthen the existing laws and to harmonize provisions on the prohibition on the use of non-public information for one's own interest, trading on privileged information or intentionally engaging in actions aimed at circumventing the law to benefit themselves. They agreed to enforce policies on Chinese Walls within their intermediaries with a view of ensuring that the intermediaries operate in a manner that when acting for clients they do not leak information of their clients to other people within and outside their businesses who are not entitled to have such information.

The regulators took note of the implementation challenges arising from the EAC Council directives, with specific reference to licensing of regional investment banks and agreed to work on addressing the identified weaknesses through appropriate amendments of the directives in collaboration with the EAC Secretariat.

The regulators deliberated on crowd funding and took cognizance of the need to utilize these avenues as a way of funding businesses in the region and accordingly agreed to work on a facilitative framework in this area. With the Global Financial Crisis and its effects in mind, the regulators also approved a regional policy for crisis management across the East African region to

respond to systemic risks and shocks emanating from a crisis. This will go a long way in ensuring stability across the capital markets in the region.

Progress in the regional certification program of market intermediaries was noted, with the need for minimum competencies being identified as crucial to the development of capital markets in the region. Regulators across the region have been implementing similar certification program in collaboration with the Chartered Institute of Securities and Investments of the UK.

Considering the importance of accurate information in investment decision making which is also critical in protection of investors, capital markets regulators rely a lot on the work of both auditors and accountants. The regional capital markets regulators have therefore made a decision in the Consultative meeting today to amend the existing MOUs with the regulators of accounting professions in the respective jurisdictions to emphasize effective cooperation during investigations especially related to financial reporting by listed entities.

ENDS...

Mrs. Nasama M. Massinda

Chief Executive Officer

Capital Markets and Securities Authority - Tanzania

Mr. Keith Kalyegira

Chief Executive Officer

Capital Markets Authority – Uganda

Mr. Paul Muthaura

Chief Executive

Capital Markets Authority – Kenya

Mr. Eric Bundugu

Ag. Executive Director

Capital Market Authority – Rwanda

Mr. Gildas Gasore

Onsite Examiner Capital Markets Regulation

Banque de la République Burundi

NOTES TO THE EDITOR

Capital Markets Authority (CMA)-Kenya, Capital Markets Authority (CMA)-Uganda and Capital Markets and Securities Authority (CMSA)-Tanzania entered into a Memorandum of Understanding (MoU) and adopted a common blue print on the integration of the East African Capital Markets in 1997. This MoU formed the basis for the establishment of the East African Securities Regulatory Authorities (EASRA). The Capital Markets Authority (CMA)-Rwanda later joined EASRA in 2009, and the Bank of the Republic of Burundi (BRB) in 2011. EASRA continues to operate as a consultative institutional forum where the regulatory authorities discuss matters of mutual interest that affect their operations.

The main objectives of EASRA are Information sharing among the members; mutual assistance and cooperation between members; and advancing the integration of the East African capital markets. Under the memorandum signed by the regulators, EASRA is mandated to: Develop common capital market strategies; Harmonize capital market laws and structures; Foster regional capital markets development; Facilitate cross-border investments; Develop market infrastructure; Develop policy proposals for capital markets incentives; Develop proposals for the alleviation of impediments; and Develop a common/ similar trading system(s).