



ENSURING INVESTORS PROTECTION

# SECURITIES AND EXCHANGE COMMISSION

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OUR REF: SEC/FM/DIRECTIVE /06-18

18<sup>th</sup> June, 2018

To Executives and Boards of Asset Management Companies

Dear CEO/CIO/CHAIRPERSON,

## DIRECTIVE ON GUARANTEED RETURNS/ FIXED TERM INVESTMENTS

The Commission met with the CEOs, CIOs and Board Chairs of asset management companies on **5th June, 2018** at **La Palm Beach Hotel** to outline the Commission's strategy for dealing with some emerging risks in the industry.

There were two main highlights:

1. A directive for all fund managers to discontinue offering fixed term investments/guaranteed returns and unwinding any current positions within a 6-month window (July 1<sup>st</sup> to December 31<sup>st</sup>).
2. A directive on permitted client mandates (regular retail clients, high net worth retail and institutional clients) and related party transactions.

Following this engagement, we require fund managers to do the following:

- a) Submit data on fixed term investments/guaranteed returns offered to clients to the Commission no later than **30<sup>th</sup> June 2018**. The data should be as at 31<sup>st</sup> May 2018.
  - i. The data should be completed per the attached format and soft copies submitted to the Commission via the email address: [marketfeedback@sec.gov.gh](mailto:marketfeedback@sec.gov.gh)
  - ii. No such new investments should be made by any fund manager.
  - iii. Fund managers should unwind such existing investments on maturity. Maturities beyond the 6-month window will be considered on a case by case basis.

- b) Review the draft Investment Guidelines and provide feedback for the consideration of the Commission before finalization. Kindly channel all feedback through the Ghana Securities Industry Association no later than 30<sup>th</sup> June 2018.

We wish to assure you that we are taking these steps in line with our mandate to engender growth, efficiency, fairness and transparency in the securities industry without losing sight of the interests of the investor. We are committed to engaging and working together with all market operators as we formulate principles to guide the industry.

Counting on your usual cooperation.

Kind regards,



**Daniel Ogbarmey Tetteh**  
**Director-General**

Cc: Deputy Director General, Finance  
Deputy Director General, Legal  
All Heads of Department  
The President, Ghana Securities Industry Association