

**OPERATIONAL PROCEDURES OF THE  
CENTRAL  
SECURITIES DEPOSITORY (GH) LTD**

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## 1. INTRODUCTION

1.1 This operational manual describes the procedures to be applied by the CSD and Depository Participants (DPs) in performing their functions.

1.2 These procedures assume the following:

1.2.1 a trading session on day T from 9:30 am to 4:00 pm for debt securities

as designated by Ghana Fixed Income Market (GFIM).

1.2.2 a trading session on day T from 9:30 am to 3:00 pm for equity securities as

designated by Ghana Stock Exchange (GSE).

1.2.3 a pre-negotiated trading period of 9:30 am to 4:00 pm, for both debt and equity securities.

1.2.4 The trading hours may be extended by the relevant market i.e. GFIM and GSE from time to time.

1.3 These procedures assume the following:

1.3.1 a settlement cycle of T+1 for Government of Ghana and Bank of Ghana securities sold at the primary auction.

1.3.2 a settlement cycle of T+2 for secondary market transactions involving debt securities.

1.3.3 a settlement cycle of T+3 for secondary market transactions involving equity securities.

1.3.4 Counterparties to a trade can, however agree at the time of negotiation to settle earlier on bilateral basis on either T+0 or T+1 for debt securities.

1.4 The settlement cycle for both debt and equity securities may be subject to changes when the procedures are reviewed in future as a result of changes in the underlying rules.

1.5 These procedures may be changed from time to time, with prior notice to the market.

## 2. DEFINITIONS

This definition section is to be read in conjunction with Rule 2 of the CSD Rules.

Allotment Schedule..... A report submitted to CSD by Issuer consisting of a list of Securities Account Holders allotted with Securities in respect of Public Offers, Primary Auction, Bonus Issues, Rights Issues, mergers and any other securities qualified to be deposited in the CSD.

Depository Participant (DP)..... A body corporate or entity admitted by the CSD to act as intermediary between the CSD and investors in the securities market by providing depository services.

Custodian ..... A body corporate that keeps custody of Electronic Security and other Documents of Title to the Assets of a mutual fund, individual, or corporate investor.

Issuer..... Government/Bank of Ghana/Corporate Entity issuing Securities or its agent, including its Registrar

Primary Dealers (PD)..... A Bank or Licensed Dealing Member of the Ghana Stock Exchange or anybody corporate appointed by Bank of Ghana to operate under the Primary Dealer system.

Qualifying Date..... The date fixed by an Issuer for the purposes of determining entitlements, dividends or other distributions.

Entitlement Schedule..... A report generated by CSD for all Securities Account Holders entitled to Securities in respect of Interest/Maturities Payments, Bonus Issue, Rights Issue, Dividends and other Corporate Actions.

Fees and Surcharge Statement..... A statement generated by CSD for DPs in respect of CSD fees and surcharges.

Settlement Guarantee Fund..... The Settlement Guarantee Fund established by the CSD.

Market..... Any approved platform where eligible securities are traded.

Net Settlement Position..... The sum of the total debit amounts netted off against the sum of the total credit amounts for the relevant trading day per DP.

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New Issues Schedule.....	A report generated by the CSD, giving details of Securities Accounts credited with securities allotted during a Primary Auction or Initial Public Offering.
Provisional Deposits Schedule.....	A report generated by the CSD for each Security to reconcile with the records of the Issuer in respect of deposits.
Settlement Bank.....	The Settlement Bank is the bank which provides services to clear funds between Settlement Partners.
Settlement Partner.....	A bank appointed by a DP with the approval of the CSD to undertake the settlement obligations of the DP
Settlement Instruction.....	An electronic instruction generated by the CSD to the Settlement Bank to effect funds settlement in accordance with the settlement schedule
Initial Settlement Report.....	A report generated by the CSD on the settlement position of each DP for each trade day.
Rights Subscribed Schedule	A report generated by CSD for a Security to reconcile with the records of the DP and Issuer in respect of Rights Subscribed.
Schedule of Securities Credited	A report generated by CSD giving details of securities accounts credited with Bonus/Rights during a Bonus/Rights Issue and any other form of corporate action.
Final Settlement Report.....	A report generated by the CSD on the settlement position of each DP for each trade day after the time allotted for trade affirmation.
Final Settlement Report – Settlement Partner.....	A report generated by the CSD on the settlement position of each Settlement Partner for each trade day.
Final Settlement Report – Settlement Bank.....	A report generated by the CSD to the Settlement Bank on the settlement position of each Settlement Partner.
Statement of Account.....	A statement showing transactions effected and balance of securities on Securities Accounts.

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T.....	The transaction date on which a security is purchased or sold by or on behalf of an investor.
Transaction Report or Broker Summary Schedule.....	A report generated by CSD in respect of trade details for each DP.
Unsubscribed Rights Schedule.....	A report generated by CSD for a Security to reconcile with the records of the Issuer in respect of Rights not subscribed.
Withdrawal Schedule .....	A report generated by CSD for each Security giving details in respect of withdrawal to the Issuer.

## 3. SECURITIES ACCOUNT OPENING

This section describes the procedures to be complied with by Depository Participants (DPs) with respect to accepting, verifying and filling of Securities Account Registration (Opening) Form, CSD Form 1 and relevant documents. This Form shall also be used for registration of existing Securities Account Number

3.1 The investor will submit a duly completed and signed Securities Account Opening Form, CSD Form 1 in duplicate together with a copy of identification or authorisation document to the DP.

The Securities Account Opening Form shall be supported by the relevant documentary evidence as set forth below and as also prescribed in the CSD Form 1.

The following information/document will be required of the investor.

	Type of Investor	Copies of documents applicable
<b>a</b>	<b>Individual</b> <ul style="list-style-type: none"><li>Individual over 18 years</li><li>Minor</li><li>Proxy</li></ul>	<ul style="list-style-type: none"><li>*Standard IDs</li><li>Passport Picture</li><li>*Standard IDs of Minor including the Birth Certificate of minor or passport for minors below the age of 15years</li><li>Passport Picture of minor</li><li>The *Standard IDs of Guardian/Trustee</li><li>Power of Attorney</li><li>*Standard IDs of Proxy and</li><li>*Standard IDs of Beneficiary owner</li></ul>
<b>b</b>	<b>Company</b>	<ul style="list-style-type: none"><li>Certificate of Incorporation</li><li>Certificate of Commencement of Business.</li><li>Board Resolution (**)</li></ul>



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		Authorized Signatures and the passport pictures of authorized signatories.
<b>c</b>	<b>Trust</b> <ul style="list-style-type: none"> <li>Trust Account by individual trustees / Joint Trustees</li> <li>Foundations / Trust Funds(Registered Fund)</li> </ul>	Constitution Trust Deed Standard IDs of the Trustees Certificate of Registration of Trust Board Resolution (**)
<b>d</b>	<b>Societies, Investment Clubs &amp; Churches</b>	Constitution/Certificate of Registration Resolution of Governing body
<b>f</b>	<b>Corporations incorporated by an Act of Parliament</b>	Board Resolution (**)
<b>g</b>	<b>Succession</b>	Letters of Administration/Death Certificate Probate with will annexed & Standard IDs of Administrators/Executors

(\*) Standard Ids include:

- ECOWAS Identity Card (Ghana Card)
- Passport (Foreign Individuals only)

(\*\*) Authorization from the Board of Directors to open and operate the securities account and the designation of the authorized signatories.

3.2 In addition, the investor, if an individual, will be required to submit to the DP two recent colour passport size photographs. Where the investor is a body corporate, association or other entity, the passport size photographs required will be of all the authorized signatories to the account.

3.3 The DP shall ensure full disclosure of investor's relevant information, verify the information provided thereof and witness investor's signature.

3.4 The DP shall capture the data obtained from the Securities Account Opening Form completed together with all or any relevant Know Your Client (KYC) documents submitted by the investor into the CSD system which shall be saved and subsequently confirmed by the DP.

3.5 CSD system will then generate a Client Identification number. Where the applicant indicates an Existing CSD Client ID on the form, the CSD system will not generate or create a new Client Identification number. In this case, the DP will register the client ID provided by the client and thereafter the DP will authorize the registered account.

3.6 The new clients created into the CSD system by DPs will be available online to the CSD for approval or rejection within 30 minutes upon receipts. Only accounts that have been approved or accepted by the CSD will be available for transactions by DPs.

3.7 Accounts that are rejected by the CSD will have to be set up again in the CSD system by the affected DPs. CSD will indicate the reason for the rejection.

3.8 The DP shall enter the Securities Account Number on the form and shall return to the client a copy of Securities Account Opening Form, duly signed and stamped. The Securities Account Number is made up of the Member's Code, Client Identification number and Account Type, example ABC-P-0000000001234-LI-0.

3.9 A DP shall retain copies of identification documents to assist it identify its clients. DPs shall also ensure the safe custody of specimen signatures of their clients.

3.10 Each party to a joint account shall have to satisfy the account opening requirements stated above. Subsequently, the DP shall create the joint accounts.

3.11 The CSD system will be available for account creation by DPs from 9.30am to 5.00 pm on any business day.

3.12 Accounts received by CSD after 4.30 pm may be authorized by CSD on the next business day.

3.13 Investor Service accounts can be opened directly through the CSD by investors for a prescribed fee.

## 4. SECURITIES ACCOUNT MAINTENANCE / CHANGE ACCOUNT REGISTRATION DETAILS

This section describes the procedures to be complied with by DPs with respect to changing particulars of investors and filling of relevant documents.

4.1 Where the investor wishes to change any particulars submitted when opening an account, the investor will submit duly signed Securities Account Maintenance CSD Form 2 indicating the desired changes together with a duplicate/photocopy of the original CSD Form 1 and any supporting documents to his DP.

4.2 The DP shall verify the accuracy of information provided by the investor and authenticate the signature before submitting the documents to the CSD.

4.3 The DP shall confirm the change request to the investor by returning a copy of the Securities Account Maintenance Form (CSD Form 2) duly signed, stamped and dated.

4.4 The DP shall forward the original and a photocopy of the form to the CSD within 2 business days of receipt.

4.5 CSD shall effect the change and return a copy to the DP within 2 business days of receipt.

4.6 The DP shall keep its copy of the Securities Maintenance Form (CSD Form 2)

4.7 CSD may reject a request for account maintenance submitted by DPs on behalf of their clients if the documents submitted to the CSD are unsatisfactory. CSD will communicate the reason thereof to the DP within 2 business days of receipt.

4.7 The CSD reserves the right to suspend or close a Securities Account upon receipt of written instructions to do so together with the supporting documents from an investor through a DP. DPs shall not have the power to close clients' securities accounts.

4.8 The Securities in the suspended Securities Account will no longer be available for subsequent transactions until the suspension is released.

## 5. DEPOSITS OF CERTIFICATED SECURITIES

This section describes the procedures to be complied with by DPs with respect to accepting, verifying, submitting of Securities Deposit Form 3 and Securities Certificates and submission of the deposit to CSD.

5.1 The investor will submit in triplicate completed and signed Securities Deposit Form CSD Form 3 and submit the relevant Securities certificates and any supporting document where applicable to its DP.

5.2 The DP shall verify the accuracy of information provided in the Securities Deposit Form.

5.3 The DP shall acknowledge receipt of the documents by returning to the investor a copy of the Security Deposit Form, duly signed, stamped and dated.

5.4 The DP will capture details of the certificate into the CSD system and may upload all the supporting documents for the deposit and print a Deposit Report Schedule from the CSD system.

5.5 The Deposit in 5.4 will be available online to the Registrar for verification and approval.

5.6 The DP shall deliver two copies of the duly signed Securities Deposit Form together with securities certificates and the printed Deposit Report in 5.4 s and certificates attached to the CSD system to the Registrar within two (2) business days.

5.7 The Registrar shall, upon receipt of documents, verify in the presence of the DP's personnel that there is no discrepancy between the Schedule attached, CSD Deposit Form and the relevant certificates.

5.8 The Registrar shall acknowledge receipt of the deposit documents by handing over a copy of the Security Deposit Form, duly signed, stamped, and dated to the DP.

5.9 The Registrar shall check and verify the information captured online in the CSD system in 5.4 above. The deposited Securities will be provisionally posted to the investor's Securities Account. The securities deposited will not be available for transactions until the Registrar confirms the authenticity of the deposited securities online in the CSD system.

5.10 The Registrar shall reject online in the CSD system, stating reasons for the rejection, and return for pick up by DP's authorized personnel incomplete Securities Deposit Form together with the Securities certificate within two (2) business days upon receipts of documents from the DP.

5.11 In the case of approval, the Registrar will retain the certificates and return one copy of the form duly stamped as approval to the DP.

5.12 The CSD system shall accept request for deposits of Securities from DPs from 8.a.m to 5.00pm on any Business Day.

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## 6. TRADE

This section describes the procedures to be complied with by the DPs for trades effected on the secondary market with respect to:

1. Accepting buying/selling orders of the Securities from Investors
2. Providing trade details and investor information from CSD

### 6.1 TRADE CAPTURE – ON THE GHANA FIXED INCOME MARKET (GFIM)

6.1.1 Upon receipt of sell orders from investors, DPs will verify availability of the securities in the securities accounts of investors in the CSD system.

6.1.2 During the trading session, DPs will capture orders (sell/buy orders) on the trading platform as provided by GFIM from 9.30 am to 4.00 pm on T in accordance with the trading rules of GFIM.

6.1.3 All matched trades shall be transmitted by GFIM to CSD on real time from 9.30 am to 4.00 pm on T.

6.1.4 The CSD system will generate a unique reference number for each trade received from GFIM.

6.1.5 Initial Settlement reports will be available in the CSD system online and in real-time for matched trades to the DPs to facilitate client allocations.

6.1.6 DPs shall be required to complete input of investor details for each trade (i.e. client allocation) for all matched trades on the CSD system by 4.30 p.m on T. DPs that fail to allocate any of the matched trades by 4.30 pm on T will be surcharged.

6.6.7 Trades executed on T and settling on T+0 must be captured and allocated by 4.00pm for final and irrevocable settlement at 4.20pm on T.

### 6.2 TRADE CAPTURE – AUTOMATED TRADING SYSTEM (ATS) - GSE

6.2.1 Upon receipt of sell orders from investors, DPs will verify the availability of the securities in the securities accounts of investors.

6.2.2 During the trading session, DPs will capture orders (sell/buy orders) on the trading platform provided by GSE from 9.30 am to 3.00 pm on T in accordance with the trading rules of GSE.

6.2.3 All matched trades shall be received by the CSD system from the Automated Trading System (ATS) on real time from 9.30 am to 3.00 pm on T.

6.2.4 The CSD system will generate a unique reference number for each trade received from the ATS of the GSE.

6.1.4 Initial Settlement reports will be available online and in real-time in the CSD system to DPs for trades transmitted from the ATS to the CSD system.

6.2.7 Initial settlement schedule detailing out the initial settlement obligation of DPs (License Dealing Members or Brokers) will be available online in the CSD to DPs at 3.30pm on T.

## 6.3 REALLOCATION OF TRADE INFORMATION

6.3.1 Trades that were allocated wrongly by DPs may be re-allocated to the right securities accounts by:

11.00 am on T+1 for debt securities and

11.00 am on T+2 for equity securities.

6.3.2 The affected DPs in 6.3.1 will thereafter write to CSD, GFIM, and GSE and explain the reason or the rational for the reallocation by close of business on the same day that the reallocation was executed.

6.3.4 Reallocation is permitted under the condition that, there is complete absence of market manipulation, insider trading, forward trading/ front running or any other unlawful act on the part of the DP.

6.3.4 If it is proven that, the reallocation was executed unlawfully, CSD will suspend the DP from undertaking any depository activities. CSD will thereafter inform SEC, GSE, GFIM and BoG for the appropriate sanctions.

## 6.4 ACCEPTANCE/REFUSAL OF TRADES ALLOCATED TO SECURITIES ACCOUNTS OF CLIENTS OF CUSTODIANS

6.4.1 Custodians will have the responsibility to accept or refuse any trade allocated to their clients erroneously by a DP, by indicating this in the CSD system. Custodians will have up to:

- (a) 4.30 pm on T+ 1 to accept or refuse custodian trades involving debt securities.
- (b) 12.30 noon on T+2 to accept or refuse custodian trades involving equity Securities.

6.4.2 Thereafter, the Custodian will write to CSD by indicating the reason thereof for the trade refusal or rejection. Custodians will be surcharged for rejected trades, if it is later on proven that, the trade rejection was wrongly executed by the Custodian.

6.4.3 Trade rejection by Custodians after the deadline prescribed in 6.4.1 above will not be granted by the CSD system.

6.4.4 Where a custodian refuses to accept a trade, the rejected trade (s) shall be automatically assigned to the executed DP's proprietary account for settlement. Once the trade is re-allocated, the trade may not subsequently be accepted by the Custodian.



## 7. CLEARING AND SETTLEMENT

This section stipulates the procedures to be complied with by DPs in respect of reporting and confirming transactions to the CSD to clear and settle such transactions through the services of the CSD

### 7.1 SECURITIES AND FUND SETTLEMENT FOR SECONDARY TRADES (DEBT AND EQUITY SECURITIES).

- 7.1.1 An Initial Trade Settlement Report and Settlement Obligations for each DP shall be available online and in real-time to DPs on trade day, T by;
- (a) 4.00 pm for debt securities and
  - (b) 3.00 pm for equity securities.
- 7.1.2 A final Settlement Schedule or Report will be available online in the CSD system to all DPs and Settlement Partners by
- 7.1.3 Non-Bank DPs must have funds available in their settlement account with their respective Settlement Partners in accordance with the Final Trade Settlement Report in 7.1.2 above by:
- (a) 12.00 noon for debt securities on T+2.
  - (b) 11.00 am for equity securities on T+3.
- 7.1.4 In the event that there are inadequate funds for settlement by Non-Bank DPs by the indicated timelines in 7.1.3, the Settlement Partners shall inform the Non-Bank DPs to make funds available by:
- (a) 2.00 pm for debt securities on T+2.
  - (b) 12.00 noon for equity securities on T+3.
- 7.1.5 In the event that, there are inadequate funds for settlement by the timelines set in 7.1.4 above, the Settlement Partner will notify the CSD and the trade shall be dealt with in accordance with procedures 7.4.
- 7.1.6 Settlement Partner shall provide funds in its account with the Settlement Bank in respect of transactions effected on Securities on T for itself and partners, in accordance with the Final Settlement Report in 7.1.2 by :
- (a) 2.00 pm for debt securities on T+2
  - (b) 12.00 noon for equity securities on T+3.

7.1.7 CSD will submit to the Settlement Bank a Settlement Schedule to the Settlement Bank together with an Electronic Settlement Instruction or File for final and irrevocable settlement to occur by:

(a) 4.20 pm on T+2 for debt securities.

(b) 2.00pm on T+3 for equity securities.

7.1.8 The Settlement Bank will electronically communicate the settlement of funds to the CSD system immediately whereupon the CSD system will simultaneously transfer the securities. The settlement of funds and movement of securities shall in any case simultaneously occur by:

(a) 4.20 pm on T+2 for debt securities and

(b) 2.00 pm on T+3 for equity securities.

## 7.2 SECURITIES AND FUND SETTLEMENT (FOR PRIMARY AUCTION IN GOG/BOG SECURITIES)

7.2.1 An Auction Settlement Report shall be available online to all PDs by 3:30 pm (After the Auction Committee meeting) on T.

7.2.2 CSD will generate an Electronic Bid Results file and distribute to all Primary Dealers (PDs) via the sFTP (secure File Transfer Protocol) Server by 4:00 pm on T.

7.2.3 CSD will submit to the Settlement Bank an Electronic Auction Settlement file together with an Auction Settlement Schedule for Settlement Bank by 4:00 pm on T.

7.2.4 CSD will submit to each Primary Dealer an Auction Settlement Schedule for Settlement by 5:00 pm on T.

7.2.5 Each Primary Dealer shall provide funds in its account with the Settlement Bank in respect of all allotted bids in GOG/BOG Securities on T for itself and its agents, in accordance with the Auction Settlement Schedule for Settlement Partners by 10:00 am on Settlement Day, T + 1.

7.2.6 The Settlement Bank will confirm settlement of funds to the CSD immediately whereupon CSD system will forthwith post the securities into the securities accounts of successful bidders.

7.2.7 These procedures shall also apply to securities that are reopened and issued in the primary auction market by Issuers.

## 7.3 AMENDMENT TO SETTLEMENT INSTRUCTIONS

7.3.1 CSD will provide amended *Settlement Schedule for Settlement Bank* and amended Electronic Settlement Instruction to Settlement Bank in the following circumstances:

7.3.1.1 In case of funds default;

7.3.1.2 In case of failure to allocate;

7.3.1.3 In case of securities default in relation to debt;

7.3.2 Once a trade is executed on the GFIM platform, amendment to price and quantity traded will not be amended in the CSD system.

7.3.3 Where there is funds default, CSD will effect funds settlement as outlined in Procedure 7.4.

7.3.4 In case of trade corrections and securities default, CSD will effect settlement as outlined in Procedure 7.5 and 7.6.

## 7.4 FUNDS SETTLEMENT DEFAULT

7.4.1 The Settlement Partner will inform CSD of any shortfall for itself and Non-Bank DPs in the funds settlement by:

(a) 2.00 pm on T+2 for debt securities and

(b) 12.00 noon on T+3 for equity trades

7.4.2 CSD will provide for the shortfall in accordance with the Guidelines on the Settlement Guarantee Fund by:

(a) 3.30 pm on T+2 for debt securities and

(b) 1.30 pm on T+3 for equity securities

7.4.3 The Settlement Bank will proceed with funds settlement in accordance with the Final Settlement Instructions by:

(a) 4.20 pm on T+2 for debt securities and

(b) 2.00 pm on T+3 for equity securities.

7.4.4 The Settlement Bank will confirm settlement of funds to CSD by the timelines in 7.4.4, whereupon CSD will simultaneously proceed with the transfer of securities.

7.4.5 The defaulted DP shall refund the shortfall provided in 7.4.2 above in accordance with the Clearing and Settlement Rules, and the Guidelines on the Settlement Guarantee Fund.

## 7.5 FAILURE TO ALLOCATE TRADES BY SELLING DP (FOR TRADES INVOLVING DEBT SECURITIES).

- 7.5.1 Allocation of trades should be completed by selling DPs by 4.30 pm on T. The DPs who don't allocate their trades by 4.30 pm will be penalised accordingly and the procedures below will apply:
- 7.5.1 Where a trade is not allocated by the timeline set in 7.5.1, the selling DP will have up to 11.00 am on T+1 to allocate the trade.
- 7.5.2 If the trade is not allocated by 11.00am on T+1 it shall be suspended from the settlement cycle. The CSD shall inform the Buying DP of this and the date set for buy-in.
- 7.5.3 A penalty shall be imposed for any trade not allocated by 11.00 am on T+1 in accordance with Procedure 19.
- 7.5.4 If the trade fails as aforesaid the CSD shall add 3 days to the settlement cycle and initiate a buy-in.
- 7.5.5 The defaulting DP shall be required to buy the securities on the market within 2 trading sessions and the trade shall be provisionally allocated to the defaulting DP's account
- 7.5.6 Partial fill for the quantity to be purchased will be allowed in each of the buy-in trade sessions.
- 7.5.6 Once the defaulting DP acquires the required amount of securities, the original trade shall be allocated to the defaulting DP's account and settled a day after allocation.
- 7.5.7 If the buy-in is not successful within 2 trading sessions, the Trade shall, subject to the decision of the CSD, GFIM and SEC, be cancelled and the defaulting DP shall be liable to pay a penalty in accordance with Procedure 19.

## 7.6 FAILURE TO ALLOCATE TRADES BY BUYING DP (FOR TRADES INVOLVING DEBT SECURITIES).

- 7.6.1 Where a trade is not allocated by the buying DP by 4:30 pm on T, the transaction will remain in the settlement cycle for settlement by 4.20 pm on T+2 but the procedures below will apply.

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- 7.6.2 A penalty shall be imposed for any trade not allocated on T by 4:20 *pm* in accordance with Procedure 19.
- 7.6.3 Where a trade is not allocated by the timeline set in 7.6.1, the selling DP will have up to 11.00am on T+1 to allocate the trade.
- 7.6.4 If the Trade is not allocated by 11.00 am on T+1, the trade shall be allocated to the *DP's account* and settled on T+2 at 4.20 pm.

## 8. WITHDRAWALS

This section describes the procedures to be complied with by DPs with respect to completion, acceptance and verification of Securities Withdrawal Forms and submission of withdrawal documents to the CSD. Withdrawal of debt securities are not permitted in the CSD as Government of Ghana and Bank of Ghana issues only electronic securities.

8.1 The Investor will submit the duly completed and signed Securities Withdrawal Form (CSD Form 4) in quadruplicate to his DP.

8.2 The DP will verify the instruction, signature and identity of the investor and will acknowledge receipt of the withdrawal request by returning a duly signed copy of the Securities Withdrawal Form to the investor.

8.3 The DP will capture the withdrawal request into the CSD system.

8.4 The DP will deliver through its authorized personnel three (3) copies of the duly signed Securities Withdrawal Form and the one copy of the system generated withdrawal request report printout to the CSD.

8.5 The CSD will verify the documents and approve or reject the withdrawal request within five (5) business days.

8.6 In the case of approval, the CSD will return one (1) copy of the withdrawal form duly stamped as approved to the DP.

8.7 In the case of rejection, the CSD will return one (1) copy of the withdrawal form duly stamped as rejected and mentioning the reasons therefor to the DP.

8.8 The CSD will inform the Registrar and provide one copy of the duly signed Securities Withdrawal Form and the one copy of the system generated withdrawal request printout forming the basis of the approved withdrawal.

8.9 The Registrar upon receipt will issue a securities certificate registered in the name of the investor within a period of 30 days.

## 9. TRANSFER OF SECURITIES

This section describes the procedures to be complied with by the Receiving DP with respect to accepting, verifying, and filing of Securities Transfer Forms and submission of the transfer documents to CSD. This applies to transfer where there is no change in beneficial ownership.

### 9.1 TRANSFER OF SECURITIES

9.1.1 The Investor will submit in triplicate duly completed and signed Securities Transfer Form (CSD Form 5) to the receiving DP. *The receiving DP shall ensure that the investor signs a new Account Opening Form (using client's existing CSD ID) and submits supporting documents for its records. This (i.e. procedure 9.1) applies when the client is not already registered with the receiving DP.*

A new securities account shall be opened for the client in the event that he client request for a new CSD account number under procedure 3 shall apply.

9.1.2 The Receiving DP shall register the client in the CSD using the existing Client CSD

Securities account ID.

9.1.3 The Receiving DPs will verify the instructions and signature of investor and will acknowledge receipt of the transfer request by returning to the investor a copy of the Securities Transfer Form, duly signed.

9.1.4 The Receiving DPs will deliver by its authorized personnel relevant copies of duly signed Securities Transfer Form to CSD.

9.1.5 Requests for transfer of securities accounts from receiving DPs must reach CSD by 1:00 pm, if the transfer is required the same day. Transfers received after 1:00 pm will be processed the following day.

9.1.6 The CSD will acknowledge receipt of transfer documents by handing over a copy of the Securities Transfer Form, duly signed.

9.1.7 The CSD will check whether the transfer request is in conformity with the Rules and Procedures of the CSD and will immediately effect the transfer of Securities: or

9.1.8 The CSD will within one (1) business day reject, giving reasons for rejection, and return for collection by receiving DP's authorized personnel incomplete transfer documents.

## 10.PRIVATE TRANSACTIONS

This section stipulates the procedures to be complied with by DPs with respect to:

1. Hereditary transfers of securities already deposited in the CSD,
2. Donations
3. Gifts
4. Other dispositions of eligible securities with prior approval of the BOG/SEC.

10.1 The Investor will hand over duly completed and signed Securities Private Transfer Form (CSD Form 6) accompanied by relevant supporting documents to his DP.

10.2 The DP will verify instructions and signature of investor and will acknowledge receipt of the transfer request by returning to the investor relevant copies of the Private Transfer Form duly signed, stamped and dated.

10.3 The DP will deliver two copies of the duly signed Private Transfer Form together with supporting documents to CSD.

10.4 The CSD will check whether the information provided in the Private Transfer form is in conformity with the provisions of the SEC/BOG requirements for private transfers. If they fulfill all laid down requirements, CSD shall approve them for transfer.

10.5 The CSD will immediately effect the transfer of Securities.



## 11. REPURCHASE AGREEMENT (REPO) TRANSACTIONS UNDER GMRA

This section stipulates the procedures to be complied with by DPs with respect to:  
The setup of Repurchase Agreement (Repo) under the Global Master Repurchase Agreement (GMRA) in the CSD system, in accordance with the Guidelines for Repurchase Agreements in Ghana issued by Bank of Ghana.

### 11.1 MATCHING OF REPO TRANSACTIONS

11.1.1 Repo transactions will be agreed between participants on an OTC basis and subsequently Depository Participants shall match their transactions in the CSD system from 9.30 a.m. to 5.00 p.m. each business day.

11.1.2 The seller/borrower will initiate the transaction in the CSD system by using the Repo Borrowing Setup screen to capture the details of the transaction.

11.1.3 The CSD system will generate a unique reference number and compute the return amount/repurchase price (depending on the type of repo).

11.1.4 The seller/borrower will authorize the borrowing setup using Authorize / Cancel Borrowing screen and communicate the reference number to the buyer/lender.

11.1.5 With the reference number, the buyer will confirm the transaction and capture the securities account details in the CSD system using the Reverse Repo Borrowing screen.

11.1.6 The transaction is matched for DVP settlement in real time on the effective date/purchase date when the buyer/lender authorizes using the Authorize/Reject Reverse Repo screen.

Note:

- a) Matched repos cannot be cancelled or amended.
- b) Matched repos that do not settle on the effective date/purchase date will be released by the CSD system after 5.00pm during end of day processing.
- c) Unmatched repos will be expired by the CSD system after 5.00pm during end of day processing on the effective/purchase date.

### 11.2 Reverse Repo

11.2.1 On the repurchase date the CSD system will automatically generate the reverse repo transactions for settlement at 12.00 noon.

Note:

- a) Buyer/Lender is expected to make securities available in the securities accounts.
- b) Seller/Borrower is expected to make funds available at the GIS.

## **11.3 SETTLEMENT OF REPO TRANSACTIONS ON FOP BASIS**

11.3.1 For Repo Transactions settling on FOP basis, refer to CSD's procedure on FOP.

## **11.4 FAILURE TO SETTLE REPO TRANSACTIONS**

11.4.1 Transactions that do not settle on the repurchase date will remain active in the CSD system until settlement is successful or parties agree to terminate it.

11.4.2 Failure to settle Repo transactions on the CSD system shall attract applicable penalties from the CSD (Please refer to CSD penalty schedule).

## **11.5 MARGIN MAINTENANCE**

11.5.1 Movement of securities for purposes of margin maintenance may be done using the CSD system. The terms of the margin maintenance shall be agreed among the repo parties outside the CSD system.

11.5.1.1 With the reference number, the seller/borrower will query for the active Repo using the Query Repo Screen and capture the securities on the Collateral Action screen.

11.5.1.2 The seller/borrower will authorize the transaction using the Request Authorize screen and inform the buyer/lender.

11.5.1.3 With the reference number, the buyer/lender would authorize the transaction in the CSD system using the Reverse Repo Borrowing screen.

11.5.2 Cash margins will be handled by the repo parties outside the CSD system.

## **11.6 COLLATERAL SUBSTITUTION**

11.6.1 Substitution of collateral may be done by repo parties using the CSD system. The terms of the collateral substitution shall be agreed among the repo parties outside the CSD system.

11.6.2 With the reference number, the seller/borrower will query for the active Repo using the Query Repo Screen and capture the securities on the Collateral Action screen.

11.6.3 The seller/borrower will authorize the transaction using the Request Authorize screen and inform the buyer/lender.

11.6.4 With the reference number, the buyer/lender would authorize the transaction in the CSD system using the Reverse Repo Borrowing screen.

## 12. COLLATERIALIZED LENDING, PLEDGES & SALES ON DEFAULT

This section stipulates the procedures to be complied with by DPs with respect to:

1. Collateralized Lending Setup
2. Collateral Substitution in Collateralized Lending
3. Pledge of securities already deposited in the CSD,
4. Release of pledge upon termination of the pledge, and
5. Sale on default of securities pledged in the CSD
6. Equity securities pledged prior to the commencement of the defunct GSE Securities Depository Company Ltd (GSD).

### 12.1 COLLATERIALIZED LENDING SETUP IN THE CSD SYSTEM

12.1.1 The two parties (DPs) involved in a Collateralized Lending must negotiate the terms of reference of the Collateralized Lending outside the CSD system.

12.1.2 After the negotiation, the Lending DP will initiate the Collateralized Lending by capturing it in the CSD system.

12.1.3 The CSD system will generate a unique repo reference number specific to the transaction captured in 12.1.2 above to the initiating DP.

12.1.4 The initiating DP must then authorize the transaction. After the authorization, the initiated DP must then communicate the unique repo reference number generated by the CSD system to the counterparty involved via email, telephone etc.

12.1.5 The counterparty shall use the reference number received in 12.1.4 above to pull out the agreed transaction for acceptance and or rejection.

12.1.6 Once the counterparty accepts the transaction, the CSD system will send a SWIFT message to the Real Time Gross Settlement (RTGS) system of Bank of Ghana for simultaneous and irrevocable settlement.

12.1.7 The CSD system is open for Collateralized Lending from 8.00 am to 5.00 pm on each business day.

## 12.2 COLLATERAL SUBSTITUTION IN COLATERIALIZED LENDING

12.2.1 Substitution of collateral may be done by parties using the CSD system. The terms of the collateral substitution shall be agreed among the parties outside the CSD system.

12.2.2 With the reference number, the seller/borrower will query for the active Collateralized Lending using the Query Repo Screen and capture the securities on the Collateral Action screen.

12.2.3 The seller/borrower will authorize the transaction using the Request Authorize screen and inform the buyer/lender.

12.2.4 With the reference number, the buyer/lender would authorize the transaction in the CSD system using the Reverse Repo Borrowing screen.

## 12.3 MANUAL/ AUTOMATIC PLEDGE IN THE CSD SYSTEM

12.3.1 The Investor will hand over duly completed and signed Securities Pledge Form, CSD Form 7 to his DP.

12.3.2 The DP will verify instructions and signature of investor and will acknowledge receipt of the pledge request by returning to the investor relevant copies of the Pledge Form duly signed.

12.3.3 The DP will forward the completed and duly signed Securities Pledge Form to the CSD not later than 4:30 pm.

12.3.4 The CSD will check whether the information provided in the pledge documents are in conformity with the Rules and Procedures and the securities being pledged qualify according to the conditions in the Pledge Form.

12.3.5 The CSD will reject incomplete pledge documents, stating reasons for rejection and return the pledge document to the DP.

12.3.6 The CSD will record the pledged Securities and will freeze the securities in the pledgor's account.

12.3.7 The CSD will confirm to the pledgee's and the pledgor's DP the completion of the pledge by forwarding a copy of the Securities Pledge Form, to each duly signed.

12.3.8 Automatic pledges are released automatically by the CSD system.

12.3.9 For manual pledge the pledgee DP must write to CSD before the pledge can be released.

## 12.4 RELEASE TO PLEDGOR (FOR PLEDGES AND COLATERIALED LENDINGS)

12.4.1 CSD shall release the pledge in favour of the pledgor by 12: 30 pm for repos and 4:30 pm for pledges on the said release date in accordance with the Rules and the securities will be eligible for any other transaction thereafter. On the release day for a repo, the borrower of funds is advised to have sufficient funds in its settlement account in the RTGS system by 12.30 pm.

12.4.2 If a counterparty is unable to release the Collateralized Lending because of insufficient funds, the Collateralized Lending will not be released till sufficient funds are available to facilitate the repo release. An interest rate shall be applied for each day that the transaction remains unreleased in the CSD system and paid to the counterparty DP. The applicable interest rate to be applied is the repo rate used for the Collateralized Lending.

12.4.3 If a repo that is supposed to be released remains unreleased a day after the return date, the affected DP will pay a penalty. After 3 days, the affected DP will be suspended from undertaking any subsequent depository activities.

12.4.4 Where there is a default or any other reasons, the pledgee DP shall forward to the CSD before the release date, instructions not to release a pledge/ Repo.

12.4.5 Where there is a reason for an early release of a pledge, the pledgee shall forward through his DP to the CSD, instructions to release the pledge in favour of the pledgor before the release date.

12.4.6 Where there is a reason to add additional securities to an existing pledge, the pledgor or pledgee shall write to the CSD indicating the details of the additional securities to be added.

12.4.7 Where there is a reason to release part of securities in an existing pledge, the pledgee shall write to the CSD indicating the securities and the quantity (ies) to release.

## 12.5 SHARES PLEDGED WITH BANKS PRIOR TO THE ESTABLISHMENT OF THE DEFUNCT GSE DEPOSITORY.

12.5.1 This section pertains to foreclosure on securities which have never been deposited in the CSD system and which are pledged in the register of the Issuer. Sale of such securities will require initial deposit of the pledged securities in the CSD system in a securities account.

12.5.2 The Bank/Lending Institution approaches the CSD to register the pledged securities in the Depository System.

12.5.2 The Bank will approach a Broker, hereinafter known as the Bank's Broker.

12.5.3 The securities on the pledged certificate will be deposited into the CSD system in accordance with the Procedures of the CSD.

12.5.4 In doing this, the Bank's Broker shall ensure that it has the proper authority

to deposit the securities for subsequent sale by collecting and verifying the following documents:-

- (a) Signed Instructions from the Bank/Lending Institution pertaining to “Pledge Release” with copy of completed Pledge Release Form.
- (b) Copy of the Memorandum of Deposit
- (c) Share Certificates
- (d) Any additional documents such as Blank transfer forms signed by the client relinquishing his right to the shares on default and/or facility agreements, if available.

12.5.5 After verification and processing, the Broker shall then forward the following documents to the Registrar within two (2) business days:

- (a) Share deposit form;
- (b) Memorandum of Deposit;
- (c) Share Certificate;
- (d) Copy of the CSD Pledge Release/Foreclosure Form;
- (e) Any additional document
- (f) A copy of the system generated printout.

12.5.6 The Registrar shall verify the documents and approve or reject the deposit request within two (2) business days.

12.5.7 On approval of the share deposit, the securities shall become available in the shareholder’s Securities Account.

12.5.8 Prior to effecting the sale through its DP, the bank will give sufficient notice to the shareholder/pledgor as required by any applicable law or agreement.

12.5.9 CSD will issue a notice to the pledgor notifying the pledgor that the securities are being released for sale by the Bank.

12.5.10 The Bank will then sell the shares.

12.5.12 Settlement for the sale of such shares shall be on T+3 settlement cycle.

12.5.12 The Bank shall be required to indemnify the CSD in the event of any wrongful foreclosure on the part of the Bank.

## 12.6 DEMATERIALISATION OF PLEDGED SHARES WITHOUT RECOURSE TO THE CLIENT

12.6.1 This section pertains to the dematerialization of pledged securities certificates without

further recourse to the client because the client cannot be reached or is not interested in signing new documents. It also pertains to a Bank dematerializing pledged securities certificates in their possession even though there is no foreclosure.

12.6.2 The Bank will approach the CSD and initiate the opening of the client’s



account in the CSD, as per the same details as available with the Bank. The CSD will open an account in the name of the client.

12.6.3 The CSD shall resolve that the Bank has the proper authority to deposit the securities by collecting and checking the following documents:-

- (a) Signed Instructions from the Bank/Lending Institution
- (b) Copy of the Memorandum of Deposit
- (c) Pledged Certificates
- (d) Any additional documents such as Blank transfer forms signed by the client relinquishing his right to the shares on default and/or facility agreement, if available.

12.6.4 The CSD will then forward the following documents to the Registrar within two business days:

- (a) Deposit Form;
- (b) Copy of the Memorandum of Deposit
- (c) Pledged Certificates
- (d) The additional documents could include Blank transfer forms signed by the client relinquishing his right to the shares on default and/or facility agreements
- (e) A copy of the system generated printout.

12.6.5 Registrar shall verify the documents and approve or reject the deposit request within two (2) business days.

12.6.6 On approval of the share deposit, the securities shall become available in the Client's Securities Account.

12.6.7 The CSD shall immediately on approval, block the securities from further transactions until there is a foreclosure in which the foreclosure procedures shall be followed.

12.6.8 The Bank shall be required to fully indemnify the CSD in the event of any wrongful foreclosure and/or from any loss, legal costs (including third party legal costs), damage or liability suffered and incurred directly as a result of any negligence, omission, mistake, misrepresentation, fraud or error on the part of the Bank.

## 12.7 SALE ON DEFAULT OF SECURITIES PLEGDED/CHARGED AS REPO IN THE CSD SYSTEM

This section pertains to foreclosure by the pledgee on securities, which have been pledged in the CSD. Upon receipt of a request for foreclosure on pledged securities,

CSD will release the pledge and make the securities available in the Securities Account of the pledgee for sale, clearing and settlement purposes. The release is effected only upon confirmation of the sale by the executing DP appointed by the pledgee.

12.7.1 The pledgee DP will forward a letter requesting foreclosure or sale on default to the CSD after verifying the details and signatories.

12.7.2 Prior to effecting the sale through its DP, the pledgee will give sufficient notice to the pledgor as required by any applicable law or agreement and inform the CSD of such notice. CSD will issue a letter to the pledgor notifying the pledgor that the securities are being released for sale by the pledgee.

12.7.3 CSD will then release the securities to the pledgee after all parties are satisfied.

12.7.4 CSD will then release the pledge and transfer the securities to the Securities Account of the pledgee for sale, clearing and settlement purposes.

12.7.5 Partial release of securities during foreclosure is allowed in the CSD system.

12.7.6 The pledgee shall be required to indemnify the CSD in the event of any wrongful Sale on default.

## 13. CORPORATE ACTIONS



## 13.1 DISPOSAL OF PROCEEDS AT INTEREST/MATURITY PAYMENTS

13.1.1 One business day before maturity and interest payments, CSD will make available to Issuers an electronic Entitlement Schedule which contains all relevant details of the Securities Holders, including name, address and disposal instructions.

13.1.2 On interest/maturity payment dates, the Issuer will use the Entitlement Schedule to make payment of maturity/interest directly to the Securities Holders account through their bankers.

13.1.3 Banks are required to pass on entitlements to the beneficiary's account within 24 hours of the payment date.

13.1.4 On maturity date CSD will change the status of the relevant securities in the CSD system from dealings allowed to matured.

13.1.4 Subsequently, the securities in 13.1.4 will be expired from the CSD system after one month if no issue is brought forward for reconciliation.

## 13.2 DIVIDENDS PAYMENTS

13.2.1 The Stock Exchange (and or the issuer) will inform CSD in writing of the price per share, qualifying Date and the ex-date, in respect of dividend payments.

13.2.2 The Stock Exchange shall ensure that the ex-date is set appropriately.

13.2.3 The Issuer will inform CSD in writing of the details of the dividend to be paid, which will be entered in the CSD system.

13.2.4 At the close of business on the qualifying date, the CSD system will take a snapshot of the holdings of all the clients in that security.

13.4.5 An Entitlement list report will be provided to the Registrars containing a list of clients eligible for dividend, their holdings and the amount of dividend.

13.4.6 The Issuer will communicate to CSD the date on which the dividend will be dispatched to the respective client accounts.

13.4.7 CSD will enter the date in the CSD system.

13.4.8 The Registrar will ensure the payment of Dividends to the CSD registered addresses of the respective clients on the payment date and communicate to the CS

## 14. PUBLIC OFFERS

This chapter describes the procedures to be complied with by Issuers in order for Securities to be credited directly to investors' securities accounts in respect of Public Offers

14.1 The Investor will, if he already has a securities account in the CSD system, indicate the account number thereof on the share application form. If he does not already have an account and wants the security to be deposited in the CSD system, he must open an account and have the account number indicated on the application form.

14.2 The Issuer or its authorized agent will inform CSD in writing of the completion of the Offer. The securities will be admitted upon confirmation from the GSE that the shares are eligible.

14.3 Each new issue will be assigned an ISIN number.

14.4 Upon completion of the Offer, the Issuer or its authorized agent will provide to its Registrar the details of successful allottees.

14.5 The Issuer or the agent will prepare a text file of the successful Allottees as per the format provided by CSD; upload the file in the CSD system and save it.

14.6 The issuer or sponsoring broker will inform CSD in writing of the date on which the New Issue is to be credited in the CSD system.

14.7 CSD will enter the date in the CSD system and post the transaction i.e. the day prior to the commencement of trading.

14.8 At the commencement of business on the applicable date, the New Issue will be credited in the respective client accounts.

## 15.BONUS ISSUES

This chapter describes the procedures to be complied with by the Registrars for Bonus Securities to be credited directly to investors' Securities Accounts.

- 15.1 The Issuer or its authorized agent will inform CSD in writing of any proposed Bonus Issue, the Qualifying Date, the book closure date and the ratio of the bonus.
- 15.2 CSD on the basis of the information received from the Issuer will enter the details in the CSD system.
- 15.3 At the close of business on the qualifying date, the CSD system will take a snapshot of the holdings of all the clients in that security.
- 15.4 An entitlement list report will be provided to the Registrar containing the list of clients eligible for the bonus, and the number of bonus shares to be credited to each client. The entitlement list will also show the fractions of securities, if any. The Registrars shall deal with the fractions according to the prevailing convention.
- 15.5 The Issuer shall inform the CSD of the date on which the bonus shares are to be credited in the respective client accounts.
- 15.6 The CSD will enter the date in the CSD system.
- 15.7 The CSD will credit the investors' securities accounts with the number of bonus securities allotted to them on the applicable date.
- 15.8 The CSD will make available to the Issuer a bonus schedule for confirmation in writing.
- 15.9 The Issuer will register the number of additional Securities as per the Bonus Schedule in the name of CSD in the Share Register.
- 15.10 The CSD will inform the Ghana Stock Exchange of the completion of allotment of the bonus securities.

## 16 RIGHTS ENTITLEMENT

- 16.1 The Issuer will confirm to the CSD the following:
- (a) The Rights Issue including the ratio for the rights,
  - (b) The Qualifying Date,
  - (c) The period during which the Rights will be traded, and
  - (d) The opening and closing dates of subscription.
- 16.2 The Issuer shall ensure that the ex-date will be set at three business days before the Qualifying Date (Record Date).
- 16.3 At the close of business on the qualifying date, the CSD system will take a snapshot of the holdings of all the clients in that security.
- 16.4 An Entitlement list report will be provided to the Registrars containing a list of clients eligible for the rights issue, and the number of rights shares to be delivered to each client. The Entitlement List will also show the fractions of securities if any. The Registrar shall deal with the fractions according to the prevailing rules.
- 16.5 The Registrar will print Rights Allotment Letters (RAL) and dispatch the same to the clients.

## 17 SUBSCRIPTION OF RIGHTS

- 17.1 An Investor desiring to subscribe the Rights Allotment Letters (RAL) shall make the payment at a designated receiving institution, after stating the CSD Client Account Number on the RAL, if the investor desires to receive the Rights Shares directly in his/her CSD Client Account.
- 17.2 The Registrar/ Lead Manager, after the last Rights Subscription Date will prepare a list of Rights Subscription for investors opting for Rights shares directly in their CSD Client Account, in a text file on a format provided by CSD.
- 17.3 The Registrar/Lead Manager will forward the file to the CSD for upload.
- 17.4 The Issuer will confirm to the CSD in writing, the apply date on which the Rights Shares are to be credited in the CSD System.
- 17.5 The CSD will enter the date against the security in the system and post the securities.
- 17.6 At the commencement of business on the applicable date, the Rights shares will be credited to the respective Client Accounts and will be made available for transactions.

## 18 ADDITIONAL DEPOSITS OF ELIGIBLE DEBT SECURITIES BY ISSUERS

- 18.1 This section describe the procedures to be complied with if an Issuer of fixed income security request to increase the value of previously issued eligible securities.
- 18.2 The issuer will write to CSD informing CSD of the additional face value to be added to the initial face value existing in the CSD system.
- 18.3 The issuer must indicate to CSD, the securities accounts to be credited with the additional value of the security after the deposit request in 18.1 above is completed by CSD.
- 18.4 CSD shall acknowledge receipt of the deposit request in 18.2 by handing over a copy of the deposit request, duly signed, stamped and dated to the DP.
- 18.5 Per the deposit request, CSD shall increase the value of the security on the same day the request was received by CSD from the Issuer.
- 18.6 CSD will submit to the Issuer a copy of the Provisional Deposit Schedule duly signed, stamped and dated together with the securities accounts that were credited with the additional value of the securities for confirmation by the Issuer. The issuer shall confirm the Provisional Deposit Schedule on the same day it received the Provisional Deposit Schedule from CSD.
- 18.7 If the Issuer rejects the Provisional Deposit Schedule in 17.4 the CSD will return the rejected deposited request documents for pick up by the DP's authorized personnel. The provisional deposit to the securities account will then be reversed.
- 18.8 The CSD shall accept request for additional deposits of previously issued securities from Issuers from 8.00 am to 4.30 pm on any Business Day. Any request for deposit received after 4.30 pm will be processed the next business day.

## 19 REDEMPTION OF SECURITIES

This section describes the procedures to be complied with by Registrars and DPs for full redemption of securities, whereupon the redeemed securities will no longer be available in the Securities accounts of investors.

19.1 The Issuer will inform CSD of

19.1.1 The redemption

19.1.2 The redemption date, and

19.1.3 The last trade date which shall be at least 2 business days prior to redemption date

19.2 CSD will inform DPs and the Issuer of the

19.2.1 Last date for acceptance of deposits of securities being redeemed, which will be set at 3 business days prior to the last trade date.

19.2.2 The last date for any other transactions in the securities, which will be set at one (1) business for debt securities and five (5) business days for equity securities prior to redemption date.

19.3 The CSD will verify whether any of the securities being redeemed are pledged.

19.4 To enable redemption of the pledged securities, CSD will request pledgee DP to submit pledge release instruction of the pledgee in accordance with the Rule.

19.5 If the pledgee instructs CSD to release the pledge in favour of the pledgor, the CSD will unfreeze the securities in the pledgor's Securities Account.

19.6 If the pledgee instructs CSD to release the pledge in its favour, then the pledgor DP must submit the pledgor's confirmation of such instruction. CSD will then transfer the securities to the pledgee's Securities Account.

19.7 Any instructions submitted by the pledgor and pledgee must be duly authenticated by their respective DPs.

19.8 CSD will debit investors Securities Accounts and will provide the Issuer with two Entitlement Schedules for the following purposes:

19.8.1 Entitlement Schedule to be used for the payment of interest/maturities. All pledged Securities will be in the name of the pledgor in this list.

19.8.2 Entitlement Schedule to be used for redemption. This list will contain the list of securities holders after release of pledge. Securities released from pledge may appear in the name of the pledgor or pledgee depending upon the pledge release instructions received.

19.9 The CSD shall ensure that entitlements (interests, maturities, and so on) on securities pledged as collateral, are transmitted to the depositor as the “owner” of the securities as long as the said securities have not been duly seized by the lender.

19.10 Where neither the pledgor nor the pledgee submits release instructions, the CSD shall release the pledge form to the Issuer together with the Entitlement Report.

## 20 STATEMENTS OF SECURITIES ACCOUNTS



This section describes the procedures to be complied when submitting statements to Securities Account holders.

20.1 Statements on Securities Accounts shall be issued and delivered by DPs as follows:

- (a) The DPs shall send quarterly statements to all active account holders.
- (b) The DPs shall send half-yearly statements to dormant account holders, where 'Dormant account' means an account in which there has been no activity during the said reporting period.

20.2 The DPs shall ensure that evidence of the fact that they have sent statements to their clients is kept.

20.3 Statements from the CSD

Statements on securities account shall be issued and delivered by the CSD as follows:-

- (a) The CSD shall send yearly statements (at the end of every calendar year) to all account holders by any appropriate electronic means including the use of email.
- (b) The CSD shall send electronic messages (including emails) to all account holders whenever an activity occurs in their account.
- (c) The CSD, further to 20. 2(a) above shall send monthly statements to DPs and clients under the Investor Service Account.
- (d) Clients may, on payment of an administrative fee to the CSD, view online or receive paper statement of their holdings in the

## 21 FEES AND SURCHARGES

### 21.1 STATEMENT & PAYMENT

21.1.1 CSD will forward a CSD Fees and Surcharge Statement to DPs at the end of each month.

21.1.2 All payments will have to be effected to CSD by DP within **14** days following receipt of statement.

21.1.3 The mode of payment shall be by direct debit to the DPs account or any other mode of payment that shall be agreed upon on the expiration of 14 days without penalties.

### 21.2 FEES AND CHARGES

21.2.1 All payments will have to be effected to CSD by DPs before the expiry of fourteen  
(14) days following receipt of invoice.

21.2.2 An Issuer shall pay admission fees which will be a one-time fee when new securities (and also additional securities) are to be added to the depository records. There will also be annual fees charged for the maintenance of the records.

21.2.3 Connectivity fees shall be paid by DPs, Custodians, Registrars and Primary Dealers who  
will be granted access to use the CSD system.

21.2.4 Withdrawal fees will be charged for withdrawals.

21.2.5 The Investor Service Accounts users will pay fees as prescribed by the CSD.

21.2.6 Transactions in the Depository shall attract a levy as prescribed in the Rules.

## 21.3 PENALTIES

21.3.1 Where a trade is not allocated on T or becomes unallocated following an amendment the following charges shall apply:

21.3.2 Daily fine of GH¢ 100.00 or 1% (which ever will be higher) of the value of the transaction subject to a maximum of GH¢ 20,000.00 (in addition to any proven losses sustained by the counterparty) until the situation is rectified by T+5 4.30/13.00 noon.

21.3.3 If the buy-in is unsuccessful, the defaulting broker will pay a penalty of twice the value of the penalty as stated in 19.3.2 on the value of the failed transaction (*pro rata n case of partial fill*).

21.3.4 Where a trade fails due to funds settlement default, an absolute and irrevocable penalty of twice the value of the CSD Commission of the value shall be payable immediately.

## 22 MISCELLANEOUS

### 22.1 COMPLAINTS PROCEDURE

22.1.1 Complaints regarding DPs or transactions on a CSD account shall be forwarded to the CSD in a Complaints Letter/ Complaint Form which will be logged in a complaint book.

22.1.2 Complaints that cannot be resolved by CSD shall be heard by the Business Conduct Committee at the earliest opportunity as outlined in the CSD Rules.

22.1.3 Upon hearing both parties, the Business Conduct Committee shall in accordance with Rule 57 of the CSD Operational Rules issue directions on what should be done.

### 22.2 DE-LISTING OF SECURITIES ADMITTED INTO THE CSD

22.2.1 The Issuer Or Stock Exchange will inform the CSD in writing of the proposed date of delisting.

22.2.2 The CSD will write to the Issuer within seven (7) days of the notice of delisting asking for instructions on dealing with the securities accounts.

22.2.3 If on the 30th day, no instructions are received to hold the delisted securities in immobilized form, the CSD will forward a complete record of the securities account holders to the issuer and debit the relevant securities account.

22.2.4 The Issuer shall issue a certificate in the name of the holder, only in the event that the Issuer does not give any instructions.

### 22.3 RETENTION PERIOD

The retention period in respect of Service records by DPs and the CSD shall be a minimum of six (6) years.

### 22.4 NOTICE

Any Notice to CSD shall

be addressed to: -

Central Securities Depository (GH) Ltd.

Public

The CEO,  
Central Securities Depository (Ghana) Limited  
4<sup>th</sup> Floor, Cedi House  
CT 465, Cantonments  
ACCRA, GHANA

TEL: +233-302-689313/4  
FAX: +233-302-689315  
Email: [info@csd.com.gh](mailto:info@csd.com.gh)  
Website: [www.csd.com.gh](http://www.csd.com.gh)

## 22.5 FORMS

22.5 The forms set out in Appendices to the Procedures shall be prescribed Forms to be used for the purposes stated in the Forms.

# CSD OPERATIONAL PROCEDURES (TIER 2)

## Document Control

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### Document Owner and Approval

The Central Securities Depository (GH) Ltd is the owner of this document and is responsible for ensuring that it is reviewed in line with the review requirements of the ISMS.

A current version of this document is available to the public on CSD's website [www.csd.com.gh](http://www.csd.com.gh)

This procedure was approved by the Chief Executive Officer (CEO) and is issued on a version controlled basis under his signature.

Signature:

Date:

### Change History Record

Issue	Description of Change	Approval	Date of Issue
1	Initial issue	CEO	14/10/2012
2	Document control, document owner and approval, and change history record was introduced	CEO	23/11/2021
3	Section 22.3.2: GHC 20,000.00 was inserted to read "Daily fine of GHC 100.00 or 1% (which ever will be higher) of the value of the transaction subject to a maximum of GHC 20,000.00 (in addition to any proven losses sustained by the counterparty) until the situation is rectified by T+5 4.30/13.00 noon."	CEO	19/01/ 2022
4	There were minor changes made to the following sections: 1. Introduction. 3. Securities account opening 4. Securities account maintenance/change account registration details 5. Deposits of certificated securities 6. Trade 7. Clearing and Settlement 8. Withdrawals 9. Transfer 12.Collateralized Lending, Pledges & Sales On Default	CEO	10/05/2022

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