



## PRESS COMMUNIQUE

### **East African Securities Regulators to drive the growth of new products in the East African region**

**Bujumbura, April 4<sup>th</sup>, 2014....**Regional capital markets regulators under the umbrella of East African Securities Regulatory Authorities (EASRA) have resolved to support efforts by market players across the region to introduce new products such as depository receipts, derivatives and real estate investment trusts. To facilitate this, the EASRA members will be working with market players across the region to introduce and implement risk based supervision and to harmonize regulatory issues across the region. This is expected to widen the product offering for investors, boost vibrancy and draw international investors while ensuring that investors are well protected. The meeting recognized the need to increase public education for financial products across the East African Community in order to motivate issuers of debt and equity securities and increase investors. EASRA members also noted the progress made by Burundi in establishing a capital market and committed to offer assistance in support of the effort.

Mr. Melchior Wagara, the First Deputy Governor of the Bank of the Republic of Burundi, in his welcome speech hailed the role played by EASRA in efforts to establish a framework for capital markets in Burundi.

In a statement issued at the end of the 40th EASRA Consultative Committee meeting held in Bujumbura, Burundi the outgoing Chairman of EASRA and also the Chief Executive Officer of the Capital Markets Authority-Uganda, Mr. Keith Kalyegira noted that financial markets in the region need to grow their market capitalization to at least 30% of the regions GDP in order to increase opportunities for diversifying investment portfolios.

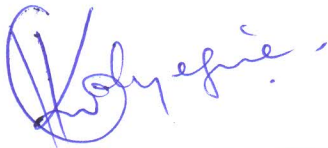
The Consultative Committee meeting was also attended by Ms. Nasama Massinda (Chief Executive Officer-Capital Markets and Securities Authority-Tanzania), Mr. Robert Mathu (Executive Director of the Capital Markets Authority-Rwanda), Mrs. Rose Kamariza (Advisor to the Board of the Bank of the Republic of Burundi) and Mr. Wickliffe Shamiah (representing the Acting Chief Executive, Capital Markets Authority-Kenya). Members of the EASRA Technical committees were also present.

On a policy and regulatory level, EASRA members resolved to develop a framework for minimum requirements for regular and additional disclosures; harmonize regulations on market abuse offences; harmonize the licensing requirements for fund managers; and develop a mechanism for sharing daily trading statistics among members. The regulators also agreed on the minimum capital adequacy requirements for the proposed regional broker licence.

EASRA thanked the East African Community (EAC) Secretariat through the Financial Sector Development Regionalization Project (FSDRP) for supporting the initiative on the integration of national trading platforms and Central Securities Depositories across the region. The initiative includes the procurement of a Smart Order Routing system that will facilitate seamless trading and settlement across the EAC region.

EASRA welcomed Burundi's taking over of the Chairmanship and Secretariat of EASRA on a rotational basis for two years.

**Signed**



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**Keith Kalyegira (C.E.O, CMA-Uganda, outgoing Chairman-EASRA)**

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**Rose Kamariza (Advisor to the Board, BRB)**

**Robert Mathu (ED, CMA-Rwanda)**

**Nasama Massinda (C.E.O CMSA-Tanzania)**

**Wickliffe Shamiah (For the Ag. C.E.O, CMA-Kenya)**

#### **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 also 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 Member States Securities Regulatory Authorities (EASRA). The Capital Markets Authority (CMA)-Rwanda later joined EASRA in 2009 and the Bank 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:

- i) Information sharing among the members;
- ii) Mutual assistance and cooperation between members; and
- iii) Advancing the integration of the East African capital markets
- iv) 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
- † Develop a common/similar trading system(s)