

SPEECH BY CHAIRMAN OF SECURITIES AND EXCHANGE

COMMISSION, PROFESSOR G.K.A OFOSU-AMAAH

Hon. Minister of Finance and Economic Planning

Fellow Commissioners

Council Members of GSE

Executives of Ghana Securities Industry Association

Representatives of the Media

Distinguished Guests

Ladies and Gentlemen:

I appreciate this opportunity to make a few remarks in the line of duty.

The Securities Law, as amended, not only, charges SEC 'to maintain surveillance over activities in securities to ensure orderly, fair and equitable dealings in securities:' but also 'to create the necessary atmosphere for the orderly growth and development of the capital market'. The Commission has determined that, in the light of our own capacity building over the last 7 years, the steady growth of the GSE and crystallization of various collective investment schemes and the recent founding of the GSIA, the time has come for vigorous public

education on the securities industry and the capital market. Thus, with cooperation of GSE and GSIA, and funding from the Ministry of Finance under FINSSP project, we are here to begin this essential step in the development of the capital market.

What we want to achieve quickly is to demystify the securities industry because we believe that the capital market as a whole, is an indispensable key to more rapid economic growth and development. For this to work the market should have the full complement of both viable equity and bond markets. And if, SEC has not embarked of a sustained programme of public enlightenment and education earlier, it was due to a deliberate policy of choosing an opportune moment. We think the time is ripe and is now.

SEC has now in place, a basic set of regulations, compliance manual an increasingly affective surveillance set-up. We believe that we have established standards that provide an adequate degree of investor protection. As Prof. Louis Loss, noted securities academic wrote “....securities Laws do not deprive a man of his God-given right to make a fool of himself. They merely prohibit others from making a fool of him”

In protecting investors, it is important to identify discrepancies and to punish wrongdoers' in order to deter further malfeasance and engender internalized compliance. Nevertheless, in all this we need to form a partnership with the Government and state agencies, the GSE, the Securities trade and all stakeholders in the market

Now, SEC is anxious to facilitate a vibrant bond market. There is the urgent need for the Government and District Assemblies? to take the lead by floating more general and specific developmental Bonds (for roads? for water resources? railways? housing?) to make it active.

We are also waiting for the often-promised divestiture of viable state enterprises through the GSE.

However, all this frenetic activity would be pointless unless we have or develop well-formed investors. We can do this, I would suggest, only by imaginative, effective and sustained public education.

Here I want direct a few words to the media.

What we want to achieve requires your enthusiastic and full support.

You must help us to find cultivate and encourage well-informed investors.

A well- informed investor is one who understands the different products available, the importance of diversification, the trade-off between risk and return, and how to evaluate an investment opportunity. Effective investor education can help Ghanaians to achieve personal financial security and to reach their saving and investment goals, including home ownership, reliable pensions and education of their children. As journalists, financial and social? Commentators, we expect you to tackle complicated economic events and concepts, and translate them into language that people from different occupations can easily grasp. The result of this process of digesting all the relevant facts, unraveling the intricacies, editing out irrelevancies, and getting to the real heart of the matter is what would help and work. That kind of comprehensive coverage of the financial news would be an invaluable service to the people, and to the SEC, GSE and GSIA. This much is clear: we depend on your work. With these remarks, let me welcome you all to this press launch of the first SECURITIES WEEK.