

STATUTORY INSTRUMENTS SUPPLEMENT

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S T A T U T O R Y I N S T R U M E N T S

2022 No. 133.

**THE CAPITAL MARKETS AUTHORITY (ACCOUNTING AND
FINANCIAL REQUIREMENTS) REGULATIONS, 2022**

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STATUTORY INSTRUMENTS

2022 No. 133.

The Capital Markets Authority (Accounting and Financial Requirements) Regulations, 2022.

(Under sections 35 (2) and 101 (2) (d) and (p) of the Capital Markets Authority Act, Cap. 84)

IN EXERCISE of the powers conferred on the Capital Markets Authority by sections 35 (2) and 101 (2) (d) and (p) of the Capital Markets Authority Act, these Regulations are made this 9th day of December, 2022.

1. Title

These Regulations may be cited as the Capital Markets Authority (Accounting and Financial Requirements) Regulations, 2022.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“Act” means the Capital Markets Authority Act, Cap. 84;

“Authority” means the Capital Markets Authority as established by section 4 of the Act;

“approved person” means a regulated person and includes a person authorised by the Authority to carry out any activity under the Act or any other Act for whose administration the Authority is wholly or partly responsible;

“Currency point” currency point” has the value assigned to it by in Schedule 1 to these Regulations;

“working capital” means the difference between the monetary value of all assets of an approved person expected to be held for a period of not more than twelve months and the

monetary value of all liabilities of an approved person expected to be settled in a period of not more than twelve months.

3. Maintenance of records

(1) An approved person shall maintain proper accounting records for the approved person's transactions, assets and liabilities.

(2) The accounting records referred to in subregulation (1), shall—

- (a) disclose the financial position and performance of the approved person; and
- (b) be prepared in accordance with the accounting standards as determined by the Institute of Certified Public Accountants of Uganda.

(3) An approved person shall retain accounting records referred to in subregulation (1), for a period of at least ten years from the date when the record was generated or received by the approved person.

(4) Where the Authority requests for any record or extract of the accounting records referred to in subregulation (1), the approved person shall, within five days from the date of request, produce the record or extract of the record to the Authority.

4. Working capital requirement

(1) Any person seeking approval from the Authority under section 30 of the Act and whose business is listed in Schedule 2 to these Regulations shall submit proof that the entity has the minimum working capital prescribed in Schedule 2.

(2) Notwithstanding subregulation (1), an approved person shall maintain adequate working capital sufficient to meet operating costs of the business for not less than three months.

5. Paid up share capital requirement

(1) An approved person shall have and maintain the minimum issued and paid up share capital as prescribed in Schedule 3 to these Regulations.

(2) A dealer shall not allow—

(a) its exposure to a single security to exceed three hundred percent of their minimum paid up share capital; or

(b) the book value of the listed securities it carries on its own account to exceed one hundred and fifty percent of its minimum paid up share capital.

6. Reporting

(1) An approved person shall submit management accounts on quarterly basis to the Authority by the fifteenth day of the month following the quarter.

(2) An approved person shall submit audited financial statements to the Authority within three months from the end of the financial year.

7. Preparation and audit

(1) The accounts and records of an approved person shall, in each financial year, be audited and reported upon by an external auditor.

(2) An approved person shall provide information and explanations required for the audit of its financial statements to its external auditors.

(3) An external auditor shall notify the Authority in the event of failure by an approved person to provide information and explanations required for the audit of its financial statements.

(4) An approved person shall inform the Authority of the removal of an Auditor and the reasons for the removal.

8. General offence and penalty

A person who contravenes or otherwise fails to comply with the provisions of these Regulations, shall pay a fine to the Authority of one hundred currency points and in the case of continuous contravention, an additional twenty currency points for each day of default.

9. Transitional provision

(1) An approved person shall be required to comply with the requirements of these Regulations within twelve months from the date of commencement of these Regulations.

(2) Every approved person shall be required to maintain the capital requirements previously applicable until the expiration of the period under subregulation (1), following which the approved person shall comply with the provisions of Schedule 2 and Schedule 3 to these Regulations.

10. Revocation of S.I. 84-4

The Capital Markets (Accounting and Financial Requirements) Regulations are revoked.

SCHEDULE 1

Regulation 2

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

SCHEDULE 2

Regulation 4

MINIMUM WORKING CAPITAL

No.	Approved person category	Minimum working capital (Ug Shs.)
1.	Stock Broker	60,000,000
2.	Dealer	60,000,000
3.	Fund manager	160,000,000
4.	Stock Exchange	300,000,000
5.	Commodities Exchange	300,000,000
6.	Commodities Broker	60,000,000
7.	Investment House	200,000,000
8.	Credit Rating Agency	20,000,000
9.	Custodian	200,000,000
10.	Authorised Registrar	20,000,000

SCHEDULE- 3

Regulation 5

MINIMUM PAID UP SHARE CAPITAL

No.	Approved person category	Minimum paid up Capital (Ug Shs.)
1.	Broker	70,000,000
2.	Dealer	70,000,000
3.	Broker or Dealer	70,000,000
4.	Fund manager	375,000,000
5.	Stock Exchange	2,000,000,000
6.	Commodities Exchange	2,000,000,000
7.	Commodities Broker	70,000,000
8.	Investment House	450,000,000
9.	Credit Rating Agency	20,000,000
10.	Custodian	1,650,000,000
11.	Venture Capital Fund	1,500,000,000
12.	Authorised Registrar	20,000,000

SAUL SSEREMBA,
Chairperson, Capital Markets Authority.