

Capital Markets Authority v. Tolea Securities Limited Civil Appeal No. 158 of 2020
(Arising from High Court Miscellaneous Cause No. 55 of 2019)

Following an unfavorable ruling in High Court Miscellaneous Cause No. 55 of 2019, the Capital Markets Authority (CMA) filed Civil Appeal No. 158 of 2020 before the Court of Appeal. The appeal challenges the High Court's decision on several grounds, including alleged errors of law and fact by the trial judge. The CMA contends that the trial judge misapplied the law and wrongly evaluated both the facts and the legal framework governing the matter.

Grounds of Appeal:

1. The learned trial judge erred in law and fact by holding that the ALTX Securities Rule Book forms part of the national legal framework and is, therefore, binding on the appellant.
2. The trial judge wrongly concluded that the appellant (CMA) applied the incorrect legal framework, and that the Capital Markets Authority Act and its subsidiary regulations were of minimal, if any, relevance in assessing the respondent's application.
3. The judge improperly delved into the merits of CMA's administrative decision and erroneously held that the respondent was applying for approval of an Exchange Traded Fund (ETF), rather than an Asset-Backed Security (ABS).
4. The court erred in finding that CMA failed to afford the respondent a fair hearing, particularly on the issues of alleged incompleteness of the application and the respondent's failure to meet human resource and expertise requirements.
5. The judge wrongly found CMA's evaluation of the respondent's application to be irrational and unreasonable.
6. The trial judge misdirected herself in law by improperly exercising her discretion to award Uganda Shillings One Hundred Million (UGX 100,000,000) in damages to the respondent.
7. The judge failed to properly evaluate the evidence on record, resulting in an incorrect decision.

Current Status:

The appeal is still under consideration by the Court of Appeal. A judgment will be delivered in due course and on notice to the parties.