

STATUTORY INSTRUMENT NO.....OF

**THE CAPITAL MARKETS AUTHORITY (CIVIL AND ADMINISTRATIVE PENALTIES)
REGULATIONS 2025**

(Under sections 147 and 149 (ah) of the Capital Markets Authority Act Cap 64 as amended)

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Regulation

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THE CAPITAL MARKETS AUTHORITY (CIVIL AND ADMINISTRATIVE PENALTIES) REGULATIONS 2025

(Under sections 147 and 149(ah) of the Capital Markets Authority Act Cap 64 as amended)

IN EXERCISE of the powers conferred on the Capital Markets Authority by Section 147 and section 149(ah) of the Capital Markets Authority Act Cap 64 these Regulations are made this day of....., 2025.

PART I – PRELIMINARY

1. Citation

These Regulations may be cited as the Capital Markets Authority (Civil and Administrative Penalties) Regulations 2025.

2. Application

These Regulations apply to all approved persons and any other person found to be in breach of the Capital Markets Authority Act or any of the regulations issued under it.

3. Interpretation

In these Regulations –

“Act” means the Capital Markets Authority Act Cap 64, any amendments thereto and any regulations issued under it;

“Approved person” means the approved person referred to in section 1 of the Act;

“business day” means any day other than —

(a) Saturday;

(b) Sunday;

(c) a public holiday or other day declared by the Government of Uganda to be a non-business day. “Investor Compensation Fund” means the fund established under section 81 of the Act;

“legal obligation” means an obligation arising under the Act, the regulations, or any conditions, or directions issued by the Authority under the Act and regulations.

“Tribunal” means the Tribunal referred to in the Act.

4. Commencement

These Regulations shall come into force on the date of gazetting

draft

5. Imposition of Administrative fines and penalties by the Authority

The Authority may impose the fines stipulated under Schedule 1 where non-compliance with the requirements under the Act or regulations made thereunder as specified in the schedule has been determined.

6. Factors to consider in determination of a penalty

In determining whether to impose a penalty the Authority will have regard to the following factors -

- (a) whether or not the approved person reported the breach to the Authority;
- (b) whether or not the approved person was aware, or should reasonably have been aware, of the breach.
- (c) the potential financial consequences to the approved person, and to any third parties including customers and creditors of the approved persons, of imposing such a penalty; and
- (d) Other penalties provided for under the Act

7. Notice

The Authority shall give written notice to the person concerned of any decision requiring payment of a penalty issued under these regulations together with a statement of the reasons for the decision.

8. Appeals

A person who disputes a penalty issued under these regulations person may refer the matter to the Tribunal within the timelines prescribed by the Act, in cases where no timelines are prescribed within 30 business days from receipt of the decision.

9. Payment of penalty

- a) Any penalty due under this regulation must be paid to the Authority within 14 business days of the penalty being imposed except where an appeal has been lodged with the Tribunal.
- b) Where an appeal has been made to the Tribunal the penalty shall be paid as follows;
 - a) Where the appellant withdraws the appeal the penalty shall be paid on the date of withdrawal
 - b) Where the decision of the Authority is confirmed, the date of confirmation or
 - c) Where the decision is varied, as directed by the Tribunal or
 - d) by a later date as specified by the Authority in writing.

10. Recovery by the Authority

Without prejudice to any provisions of the relevant Acts, any penalty levied under these regulations shall be a debt due to the Authority and may be recovered by the Authority as a civil debt in a court of competent jurisdiction.

11. Credit to the Investor Compensation Fund

Any penalty levied under these regulations shall be credited to the Investor Compensation Fund established under the Act.

12. Effect on other sanctions

The imposition of an administrative penalty under these Regulations shall be without prejudice to any other power, penalty, sanction or remedy provided for under the Act.

SCHEDULE 1

(Regulation 6)

Non- compliance	Amount of Administrative Penalty for non-compliance
Operation of a stock exchange or commodities without approval of the Authority contrary to Section 30 of the Act	200 Currency points and 5 currency for each continuing day of default
Late submission of license renewal application contrary to Section 51 of the Act	50 Currency points
Breach of licence conditions contrary to Section 56 of the Act	200 Currency points and 5 currency for each continuing day of default
Failure by an approved person to notify Authority of change in particulars of the approved person contrary to Section 59 of the Act	50 currency points per incident
Failure to maintain a register of interests in securities by an approved person or financial journalist contrary to Section 76 of the Act	50 currency points and 5 currency points for each day of continuing default
Failure of a Banker to make full disclosure at the request of the Authority contrary to Section 87 of the Act	100 currency points and 5 currency points for each continuing day of non-disclosure
Failure to notify Authority of Private placement contrary to Section 105 of the Act	200 Currency Points payable by the firm and 200 currency points by each individual Director of the company making the placement
Reg 59– Unauthorised use of title stockbroker, dealer or other title whose use is prohibited under Regulation 59 of the Capital Markets Authority (licensing and Approvals Regulations) 2025 in your name without a license	200 currency points
Failure to display a licence contrary to regulation 61 of the Capital Markets Authority (licensing and Approvals Regulations) 2025	100 currency points and 4 currency points for each day of continuing default
Breach of Stock broker or dealers investment limits prescribed under Regulation 29 of the Capital Markets Authority (Licensing and Approvals Regulations) 2025	200 currency points and 5 currency points for each day of continued breach
Failure by and approved person to comply with directives and any conditions imposed on it or him or her by the Authority.	5 currency points for each day of continuing non- compliance
Failure to file compliance return and Annual reports required under the Capital Markets Authority (Corporate Governance) Regulations 2025 within the prescribed time	100 currency points and 50 currency points for each day of continuing default

Failure to maintain required independence thresholds for the Board of Directors under the Capital Markets Authority (Corporate governance) Regulations 2025	200 currency points and 5 currency points for each day of default
Breach of Prohibition on cross-directorships under Regulation 15 of the Capital Markets Authority (Corporate governance) Regulations 2025–	200 currency points and 5 currency points for each day of default
Failure to remit amounts due to the Investor Compensation fund within prescribed time-	50 currency points and 5 Currency points for each day of continuing default
Failure to remit any amounts due to the Authority within the prescribed time	50 currency points and 5 Currency points for each day of continuing default
Failure of the offeree to inform the relevant stock exchange and the authority of a proposed takeover and to issue a press statement thereof pursuant to regulation 7 of the Capital Markets (Takeovers and Mergers) Regulations	<ol style="list-style-type: none"> 1) 50 currency points 2) Upon default of the above penalty a penalty of 5 currency points per business day will be imposed.
Failure to submit to the Authority the takeover offer document within 14 days from the date of serving the offeror’s statement pursuant to regulation 8 of the Capital Markets (Takeovers and Mergers) Regulations	<ol style="list-style-type: none"> 1) 100 currency points 2) Upon default of the above penalty a penalty of 5 currency points per business day will be imposed.
Withdrawal of a takeover offer without prior written approval of the Authority pursuant to regulation 18 of the Capital Markets (Takeovers and Mergers) Regulations	<ol style="list-style-type: none"> 1) 100 currency points 2) Upon default of the above penalty a penalty of 5 currency points per business day will be imposed.
Failure to inform the Authority and the securities exchange within ten days of the closure of the offer and to announce by way of press notice the total number of voting shares to which the take-over offer relates as required by regulation 31 of the Capital Markets (Takeovers and Mergers) Regulations	<ol style="list-style-type: none"> 1) 50 currency points 2) Upon default of the above penalty a penalty of 5 currency points per business day will be imposed
Capital Markets (Takeovers and Mergers) Regulations	

Selling voting shares to which the take-over relates during the offer period in breach of regulation 32 of the Capital Markets (Takeovers and Mergers) Regulations	To be calculated according to the formula below Prevailing Treasury Bill Rate on date of Breach plus 2% multiplied by consolidated value of the underlying transaction.
Offering securities without an approved prospectus	1) 200 currency points per event 2) Upon default of the above penalty a penalty of 5 currency points per business day will be imposed
Failure to file an amended prospectus with the CMA as stipulated in regulation 5 (2) of the Capital Markets (Prospectus Requirements) Regulations	100 currency points per event
Failure to furnish the Authority with information and documents requested in relation to a filed prospectus	5 currency points per business day
Submission of an incomplete prospectus to the Authority in violation of regulation 4 of the Capital Markets (Prospectus Requirements) Regulations	50 currency points per event
Publication of prospectus without compliance with the amendments required to be included in the prospectus by the Authority pursuant to regulation 5 (2) of the Capital Markets (Prospectus Requirements) Regulations	100 currency points per event
Issuance of asset backed securities without the approval of the Authority pursuant to regulation 48 of the Capital Markets (Asset Backed Securities) Regulations	100 currency points per event
Failure to credit the Investor Compensation fund with interest accruing from subscription proceeds pursuant to regulation 54 of the Capital Markets (Asset Backed Securities) Regulations	50 currency points per event
Publication of results of allotment of public offer of asset backed securities without prior notification to the Authority pursuant to regulation 56 of the Capital Markets (Asset Backed Securities) Regulations	50 currency points per event

Failure to provide material information on the asset backed securities to the Authority, investors and the public pursuant to regulation 75 of the Capital Markets (Asset Backed Securities) Regulations	20 currency points per event
Failure to submit reports to the Authority as required in the Capital Markets (Asset Backed Securities) Regulations	5 currency points per business day
Suspension or delisting of asset backed securities by the Stock Exchange without prior written approval of the Authority pursuant to regulation 83 of the Capital Markets (Asset Backed Securities) Regulations	100 currency points per event
Failure of the Stock Exchange to publish information on the suspension or delisting of asset backed securities in violation of regulation 84 of the Capital Markets (Asset Backed Securities) Regulations	50 currency points per event
Commencement of voluntary insolvency, bankruptcy, winding up proceedings without the written consent of the Authority. pursuant to regulation 11 of the Capital Markets (Asset Backed Securities) Regulations	100 currency points per event
Failure to keep records as required in the Capital Markets (Asset Backed Securities) Regulations	2 currency points per document
Appointment of Auditor not compliant with regulation 12 of the Capital Markets (Asset Backed Securities) Regulations	100 currency points per event