Capital Markets Authority
Protecting Your Investments



ANNUAL REPORT

2017 - 2018



Capital Markets Authority

Protecting Your Investments

CORPORATE INFORMATION

Profile

The Capital Markets Authority (CMA) is a semi-autonomous body that was established in 1996, by the CMA Act, Cap 84. The Authority is responsible for promoting, developing and regulating the capital markets industry in Uganda, with the overall objectives of investor protection and market efficiency.

The Authority reports and accounts to Government through the Ministry of Finance, Planning and Economic Development. CMA plays a significant role in regional and international cooperation and is a member of the East African Securities Regulatory Authorities (EASRA) and the International Organisation of Securities Commissions (IOSCO).

Vision

To establish Uganda's capital market as the most efficient and trusted center for attracting and providing capital in Africa

Mission

To foster a transparent, accessible and effective capital market in Uganda

Core Values

Integrity: We act ethically and work in the public interest, treating people fairly and honestly

Teamwork: We support and promote collaboration among the CMA team and with external stakeholders

Accountability: We strive to live up to the aspirations of our mission so as to deliver quality services and promote the best interest of our stakeholders

Excellence: We strive to pursue and deliver the highest quality of service to our stakeholders

Functions of the Authority

The CMA Act prescribes the following as the functions of the Authority:

1. To approve prospectuses and other offering documents under which securities are offered to the public and to approve information memorandum;
2. To develop all aspects of the capital markets with particular emphasis on the removal of impediments to, and the creation of incentives for long term investments in productive enterprise;
3. To create, maintain and regulate, through implementation of a system in which the market participants are self-regulatory to the maximum practicable extent, of a market in which securities can be issued and traded in an orderly, fair and efficient manner;
4. To cooperate with, provide information to, conduct any investigation or inquiry for, or otherwise assist any foreign regulatory authority in the performance of its duties;
5. To implement regional and international standards and best practice in securities markets, securities regulation and supervision;
6. To protect investor interests; and
7. To operate the Investor Compensation Fund established by section 81.

CMA executes its legal mandate with the following objectives:

1. Promoting confidence in the capital markets
2. Ensuring honesty and transparency in capital markets transactions
3. Carrying out investor education
4. Protecting investors; and
5. Reducing systemic risk

CONTENTS

Corporate Information	1
Letter of Transmission	3
Chairman's Statement	4
CEO's Reviews	6
Board of Directors	8
Corporate Governance	10
Legal and Board Affairs	14
Market Supervision	17
Research and Market Development	21
Financial Statements	27
List of Licensed Persons as at 30 December 2018	59

LETTER OF TRANSMISSION

30 November 2018

The Honourable Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
Apollo Kaggwa Road
P.O. Box 8147, Kampala.

Dear Honourable Minister,
Pursuant to Section 8 (6) of the Reprint of the Capital Markets Authority Act CAP. 84, I have the honour to submit to you the annual performance report and financial statements of the Capital Markets Authority in respect of the accounting period ended 30 June 2018.

The report also covers major activities, challenges and plans of the Authority.

Respectfully yours,



.....

Jacqueline Kobusingye Opondo
Board Chairperson

CHAIRPERSON'S STATEMENT



Jacqueline K Opondo
Board Chairperson

This report also covers highlights of activities undertaken by the Authority during the period and future plans.

Having successfully concluded the financial year 2017/18, I am pleased to present in this report, the audited financial statements of the Capital Markets Authority (CMA), in accordance with Section 8 of the Reprint of the CMA Act, Cap. 84. This report also covers highlights of activities undertaken by the Authority during the period and future plans.

The capital market has existed in Uganda for slightly over two decades now. Despite the challenges, there is no doubt that a lot has been achieved as a result of the unwavering commitment of all stakeholders, most especially the Government of Uganda. This commitment is what enables the Board to effectively deliver on the mandate of the CMA.

In October 2017, the Minister of Finance, Planning and Economic Development appointed a new Board of Directors, to which I was appointed as Chairperson. The Board was appointed to serve a five-year term, in accordance with the CMA Act, 2016. I wish to thank the Honourable Minister for the confidence placed in us and pledge on behalf of the entire Board to do our very best to steer the Authority to greater levels.

2017/18 was a period of consolidation of the gains made since we embarked on implementing the Authority's five year (2016/17 - 2010/21) strategic plan. Having successfully launched the ten-year Capital Markets Development Master Plan in June 2017, CMA embarked on an aggressive strategy to implement the 27 recommendations and 96 actions there under. The Authority has since been engaging stakeholders within various public and private sector organizations on their roles in achieving the vision of the Plan. This exercise is expected continue as we aim to ensure that these particular implementing institutions embed the recommendations specific to their mandates, within their operational or strategic plans.

Consequently, by the end of the financial year under review, a total of forty actions were at various stages of implementation. These included, development of a capital markets certification programme which seeks to enhance professional practice among players; boosting skills of market intermediaries through corporate finance training and; the development of an issuer outreach programme that aims to boost the number of potential issuers of debt and equity securities as a way of increasing the supply of securities in our capital market.

To that end, I wish to commend the Master Plan implementation team at the Secretariat and the Steering Committee for the dedication towards ensuring the attainment of the vision, which is to position Uganda's capital markets within the

frontier market category of the Morgan Stanley Capital International for equities as a way of attracting more international capital to meet financing needs for both Government and the private sector. While we are still far from this, we are encouraged by the fact that a 'journey of a thousand miles begins with a single step.

Since inception, the Authority has and continues to be funded mainly from the Government of Uganda consolidated fund (as stipulated in the CMA Act). Government increased this grant during the financial year under review from UGX 5.3 Billion in 2016/17 to UGX 6.6 Billion in 2017/18. This increment was very instrumental in among other things, addressing the human resource deficit especially in the technical departments of the Authority. As a regulator, a critical measure of our effectiveness is how facilitative our regulatory framework is. This therefore calls for constant review of laws that govern the industry players and operations, as well as their effective enforcement. Hence, a professional and dedicated workforce that adheres to the highest levels of integrity is a prerequisite. There is no doubt however, that the Authority has to train it's staff continuously to ensure they are abreast with the developments in capital markets regulation. The Board too requires continuous training to be able to provide the expected level of oversight to Management. While regulators tend to follow markets developments, CMA strives to always be at par or ahead of the market at all times. During the year, the Authority trained its Board members and staff in several aspects including surveillance, anti-money laundering, corporate governance and leadership development.

One of the key focus areas for the Authority as laid out in the strategic plan is market development, with specific attention to the removal of impediments and creation of incentives for long term investment in productive enterprises. However, we are cognizant of the ever changing financial markets landscape, especially with the advances in financial technology that have not only disrupted but also led to increased sophistication of products and platforms, as well as regulation. Globally and in some local spheres, there have been varying opinions about these rather innovative financial products such as block chain and crypto assets. The CMA continues to be open to these developments but we are cautious enough not to compromise our core objective of investor protection.

As I mentioned earlier, Government has been a key contributor to our progress and to that end, I wish to extend my appreciation to the Minister and the entire Ministry of Finance for the wonderful collaboration and support extended to the Authority. We also thank the Governor of the Bank of Uganda and the Board for their contribution (both financial and technical) towards capital markets development. Special thanks also go to our development partners, Financial Sector Deepening Africa who have continued to work closely with the CMA in the implementation of our Master Plan.

All this would not have been possible without the commitment and hard work of the staff and Management who are involved in the day to day operations. I thank you all and urge you to remain committed towards making a positive difference in our financial markets.

For God and My Country!

Uganda consolidated fund (as stipulated in the CMA Act). Government increased this grant during the financial year under review from **UGX 5.3 Billion** in 2016/17 to **UGX 6.6 Billion** in 2017/18. This increment was very instrumental in among other things, addressing the human resource deficit especially in the technical departments of the Authority.

CEO'S REVIEW



Keith Kalyegira
Chief Executive Officer

AUM by collective investment scheme managers also grew t0 UGX 43.7 billion up from 20.99 billion at the end of the previous financial year.

Over the financial year 2017/18, Uganda's economy is estimated to have expanded by 5.8%, compared to 3.9% growth in 2016/17. However, growth in the capital markets which account for about 5% of the Gross Domestic Product (GDP) dipped during the period under review, with equity turn over at the Uganda Securities Exchange (USE) falling by 38.9% to UGX 73.05 billion, up from UGX 119.64 billion reported in the previous financial year. Equally, share volume went down by 47.11% from 1,117 million in the previous financial year to 591 million. The low market activity has been largely attributed to the exit of foreign institutional investors from some of the most active counters at the USE, as well as interest rate increases in the US financial markets and strong gains posted by its equities segment in the period under review, leading to substantial capital outflows from developing and emerging markets such as ours.

Never the less, total market capitalization rose by 24.32% to UGX 28.56 trillion at the end of the review period from 22.97 trillion reported in a similar period last year. Equally, domestic market capitalization closed higher at UGX 4.78 trillion, representing a gain of 12.12% from UGX 4.26 trillion in the previous year. The USE Local Counter Index grew by 12.12%, closing the year at 415.37 index points from 370.46 index points. This was mainly due to share price gains registered on local counters including Uganda Clays, National Insurance Corporation, Bank of Baroda, DFCU and Stanbic Bank Uganda.

As an industry, we continue to have the debate on whether capital markets development follows economic development or vice versa, and what is undisputed is that economies whose capital markets are thriving experience high economic growth rates at both macro and micro level. While the period under review was generally challenging for the market and indeed, the entire East African capital markets, the prospects for market based financing continue to be bright as evidenced by the increased uptake of alternative financing options such as private equity. According to the East African Venture Capital Association, the number of private equity deals in the region grew from 27 in 2017 to 47 in 2018. With a record flow of about USD$600 million invested in the region, only 6% of these funds were invested in Uganda. While we still have some work to do as a country to ensure we attract more private capital, the increased deal activity is generally indicative of the region's growing prominence as a private capital destination, in part as a result of the stability of our economies.

CMA continued with efforts to improve public education for issuers and investors. By the end of the period under review, a total of 14,763 individuals had been reached through face to face presentation made by the Resource Persons and 1,217 securities central depository accounts opened.

Funds under management by CMA licensed Fund Managers grew by 25.29% up from UGX 2.04 trillion at the end of 2016/17 to UGX 2.56 trillion at the end of 2017/18. A breakdown of Assets Under Management (AUM) indicates that investment in Government bonds accounted for 58.3% of the total AUM which was the highest, followed by equities at 20%. The attractive government borrowing rates continue to play a big role in hindering investments in equities during this period but this is expected to normalize as the economy stabilises. AUM by collective investment scheme managers also grew t0 UGX 43.7 billion up from 20.99 billion at the end of the previous financial year. While there is very high potential for growth in the CIS market, the uptake has been quite slow. Going forward, the public education focus of the Authority will be on promoting CIS investments since CISs essentially give investors access to both equity and debt instruments.

The 10 year Capital Markets Development Master Plan (CMDMP) remained a key guide for our activities. By the end of the period under review, a total of 40 out of the 96 actions in the CMDMP were at various stages of implementation. Among these were the launch of the market certification programme and the launch of an Issuer Resource Persons programme which aims to provide knowledge on the various market based financing options to potential issuers of securities.

In light of our regulatory role, the Authority embarked on the review of various laws, including the Capital Markets Conduct of Business Regulations and Prospectus Requirements Regulations. These amendments are geared towards operationalizing the 2016 Amendment Act. CMA also participated in other local and regional efforts to improve the regulatory environment, including Anti Money Laundering and Countering Financing of Terrorism activities and, the activities of the East African Securities Regulators Association.

During the period under review, the Authority approved various licences including investment advisory, representative licences, and a CIS Manager's license. CMA also reviewed and approved an application by the Uganda Securities Exchange to demutualize. Demutualization means that the ownership of the company is now separate from trading rights of members, leading to independent, transparent and flexible governance structures that foster decisive action in response to the operating business environment.

The Authority conducted a few investigations and while these have not yet been concluded, we remain committed to ensuring that unlawful and unacceptable market conduct once detected is investigated and enforcement action where necessary is taken. During the period under review, Out of eighteen complaints registered in the year, fifteen were resolved and three were still under investigation.

CMA's operations largely depend on the capacity and ability of our staff. To this end, providing opportunities for continuous training and upskilling remain a vital input. During the year under review, we ensured that staff who get trained in the different areas or exposed to other markets' operations pass on this knowledge to others through knowledge sharing forums. Group trainings were also conducted to improve personal effectiveness and leadership skills.

The Authority also embarked on the implementation of the recommendations of the Institutional Capacity Assessment Report. Implementation is expected to flow into the next financial year, especially for the recommendations to which management agreed. To this end, I wish to recognise and thank the Financial Sector Deepening Uganda (FSDA) who have continued to support the Authority in not only enabling us to drive industry growth, but also ensuring that our workforce is better aligned to our mandate and that the Authority's efficiency is enhanced.

Additionally, we thank the Minister of Finance, Planning and Economic Development, the State Ministers and all technocrats of the Ministry led by the Permanent Secretary/ Secretary to the Treasury, for their support towards CMA's institutional growth and capital markets development in general.

I also wish to acknowledge the tremendous support and guidance that management receives from the Board of Directors; and without a doubt, the efforts of all staff members who do their very best to make a difference in our capital markets.

Lastly, I wish to thank the intermediaries and the entire industry for their perseverance. While the year had some tough moments, we believe that people who see through change can only achieve that with persistence, commitment and hard work. I therefore invite you all to join us in the efforts to make our capital markets better as we contribute to the attainment of Uganda's vision of attaining middle income status.

With this, I now invite you to read the details of our activities for the year ended June 2018, in the subsequent reports.

BOARD OF DIRECTORS



Jacqueline K Opondo
Board Chairperson/Represents
Institute of Certified Public
Accounts of Uganda



Bemanya Twebaze
Registrar General



Saul Sseremba
Represents
Uganda Insurance Institute



Nelson Nerima
Represents
Uganda Law Society



Joselyn Kateeba
Represents Uganda
Manufacturers Association



Irene Lugayizi
Represents the
Solicitor General



Joseph Enyimu
Represents the Permanent
Secretary/Secretary to the Treasury
Ministry of Finance, Planning &
Economic Development



Fabian Kasi
Represents the Uganda
Bankers Association



Donald Nyakairu
Represents the Uganda
National Chamber of Commerce
and Industry



Keith Kalyegira
Chief Executive Officer



CORPORATE GOVERNANCE

The Authority is committed to the highest level of corporate governance and conducts its business in line with the principles and best practices of good corporate governance.

Board Composition

The Board of the CMA is comprised of eleven members. Five members are ex-officio, by virtue of their public offices while six represent private sector interests. The roles of Chairman and Chief Executive Officer (CEO) are distinct. With the exception of the CEO, all members of the Board are Non-Executive Directors. The Board is assisted in its work by Committees which deliberate on matters before they are presented to the Board. Table 1 indicates the list of Board Members as at 30 June 2018 and the Committees to which they belong:

Table 1: List of Board Members and the Committees they belong to as at 30 June 2018

No	Name	Board Committee			
		LRAC	RMDC	ARMC	FHRAC
1.	Ms. Jacqueline Kobusingye Opondo	N/A	N/A	N/A	N/A
2.	Mr. Saul Sseremba			Member	Chairman
3.	Mr. Joseph Enyimu		Chairman		Member
4.	Ms. Joselyn Kateeba	Member	Member		Member
5.	Mr. Fabian Kasi			Chairman	
6.	Mr. Stephen Mulema				
7.	Mr. Bemanya Twebaze	Member		Member	
8.	Ms. Irene Lugayizi	Member			Member
9.	Mr. Nelson Nerima	Chairman	Member		
10.	Mr. Donald Nyakairu	Member		Member	
11.	Mr. Keith Kalyegira	Member	Member	Member	Member

Appointment of the Board of Directors

The Board of Directors is appointed by the Minister of Finance, Planning and Economic Development. The Board Chairperson is specifically appointed from among the members by the Minister as provided for in Section 22 E (2) of the CMA Act. Board members are persons of high moral character; with experience and expertise in various fields such as law, finance, business, accounting, economics, investment, banking and administration.

Upon joining the Board, members are inducted and taken on an industry study tour organized by the Authority to help them appreciate the various market practices in the Ugandan context. In October 2017, the Minister appointed six new Board members including the Chairperson - in compliance with the provisions of the CMA Act as amended. This followed the expiry of the four-year term of office of seven of the members, as shown in Table 2 below:

Table 2: Outgoing and Incoming Board Members

No	Office/Sector Represented	Outgoing Member	Incoming Member
1.	Private Sector	Mr. Grace Jethro Kavuma	N/A*
2.	Governor, Bank of Uganda	Mr. Philip Andrew Wabulya	Mr. Stephen Mulema
3.	Permanent Secretary/ Secretary to Treasury	Mr. Paul Patrick Mwanja	Mr. Joseph Enyimu
4.	Solicitor General	Ms. Harriet Lwabi	Ms. Irene Lugayizi
5.	Insurance Institute of Uganda	Ms. Miriam Magala	Mr. Saul Sseremba
6.	Uganda Bankers Association	Ms. Agnes Tibayeita Isharaza	Mr. Fabian Kasi
7.	Uganda Manufactures Association	Dr. Martin Francis Kyeyune	Ms. Joselyn Kateeba

* *The Minister appointed Ms. Jacqueline Kobusingye Opondo, who also represents the Institute of Certified Public Accountants, as the new Board Chairperson.*

Board Meetings

A Board calendar is in place and the Board meets at least once every three months to carry on the business of the Authority. However, the Board Committees meet from time to time, depending on the urgency and volume of business to deliberate on the various reports before they are presented to the full Board. During the year under review, the Board met eight times to address various issues. Table 3 the number of Board meetings and Committee meetings attended by each member during the year:

Table 3: Record of attendance

	Board Member	Board meetings	LRAC	RMD	ARMC	FHRC
1.	Ms. Jacqueline Kobusingye Opondo	6/8			1/1	
2.	Mr. Saul Sseremba	5/5				2/2
3.	Mr. Joseph Enyimu	4/5				2/2
4.	Ms. Joselyn Kateeba	5/5	4/4			
5.	Mr. Fabian Kasi	3/5			1/1	1/2
6.	Mr. Stephen Mulema*	1/1				
7.	Mr. Bemanya Twebaze	0/8	1/7		1/2	
8.	Ms. Irene Lugayizi	5/5	4/4			1/2
9.	Mr. Nelson Nerima	8/8	7/7	1/1		
10.	Mr. Donald Nyakairu	7/8	2/7		1/2	
11.	Mr. Keith Kalyegira	6/8	7/7	1/1	2/2	3/3
	Members of the Board whose Board term expired on 24 October 2017					
1.	Mr. Grace Kavuma	3/3				
2.	Mr. Philip Wabulya	2/3	2/3			
3.	Ms. Harriet Lwabi	1/3	1/3			
4.	Mr. Paul Mwanja	2/3				1/1
5.	Dr. Martin Francis Kyeyune	3/3				1/1
6.	Ms. Miriam Magala	2/3			1/1	1/1
7.	Ms. Agnes T. Isharaza	1/3	1/3			

** Mr. Stephen Mulema was appointed a Board Member on 15 November 2017 and resigned from the Board on 08 February 2018*

The Board Secretary

The Board Secretary (Director, Legal and Board Affairs), is responsible for the administration of the Board proceedings, the provision of administrative and secretarial services as well as legal advice to the Board. The Chairperson and the Board Secretary ensure that the agenda of the Board is in tandem with CMA's priorities.

The Board Manual

To guide the operations of the Board, there exists a Board Manual. All Board Members must adhere to good corporate governance standards as prescribed in the manual. Instances of conflict of interest are addressed through disclosure whenever cases arise, particularly so at the beginning of each meeting. The Board also adheres to the Conflict of Interest Guidelines which apply to both the Board and staff members. The Conflict of Interest Guidelines mainly apply to declaration of directorships in companies and trading in the securities market.

Board Training

The work of the Board is to generally provide oversight over our activities. However, this also calls for a good understanding of the nature of operations of the regulator. Therefore continuous training and exposure is a very vital ingredient to ensuring effectiveness of the Board. During the year under review, Board members received continuous development and exposure on issues that are pertinent to capital markets regulation and development such as corporate governance, market

development and securities regulation. This was done through their attendance of conferences, workshops and seminars both within the country and overseas.

Remuneration of the Board

The members of the Board are entitled to remuneration and allowances out of the general fund of the Authority, as determined by the Minister of Finance, Planning and Economic Development. Table 4 provides a summary of the current Board allowance structure.

Table 4: Structure of Board Remuneration

Position	Monthly Retainer (UGX)	Sitting Allowance (UGX)
Chairman	1,000,000	300,000
Member	850,000	250,000

Board Committees

All the Committees are governed by terms of reference developed by the Board and are mandated to make recommendations to the Board on all matters under their consideration. The function and structure of the Committees for the period under review are described below. In terms of composition, the Committees comprise Board Members with pertinent expertise in the various areas in order to maximize technical capability at the Committee level, where issues are dealt with in depth. The quorum for each Committee is at least half of the appointed Members. Each Committee determines its own procedures and are guided by the terms of reference stipulated in the Board Manual.

Legal & Regulatory Affairs Committee (LRAC)

The Legal & Regulatory Affairs Committee (LRAC) oversees the development of an appropriate legal and regulatory framework for the capital markets industry. The Committee also oversees the implementation and enforcement of compliance matters by the Authority. The LRAC held a total of seven meetings during the year to consider among other things, new licences; a corporate action; securities exchange rules among others.

The Finance, Human Resources & Administration Committee (FHRAC)

The Committee is responsible for guiding the Board on policy matters relating to finance, human resources and administration. It also reviews and recommends to the Board matters related to the Authority's human resources policies and any amendments thereto intended to attract, develop and retain qualified and high performing talent for achievement of the Authority's strategic objectives. During the period under review, the committee considered various issues including recruitments, financial reports and other matters.

The Audit & Risk Management Committee (ARMC)

The Audit and Risk Management Committee plays a critical role in the corporate governance structure by overseeing internal controls, accountability, reporting structures and risk management. This committee held two meetings during the period to consider the audited financial statements for the year ended 30 June 2018, the internal audit work plan and the internal audit quarterly reports. The Committee also considered the CMA risk management quarterly reports.

Research & Market Development Committee (RMDC)

The role of the Research and Market Development Committee is to assist the Board in the formulation of policies that are geared towards conducting effective research that translates into market development activity. This includes review of policy papers, research notes and papers; review of public education proposals, etc.



LEGAL AND BOARD AFFAIRS

During the year, the Legal and Regulatory Affairs Department provided the requisite support to the Board in ensuring that Board operations run smoothly. This included ensuring Board meetings are scheduled and organised on time, ensuring readiness of Board papers and minute taking.

Ensuring an Appropriate Legal and Regulatory Framework

As part of the process of reviewing some of the capital markets laws, the Authority organised consultative workshops to expose the following draft laws for stakeholder comments:

- The Capital Markets (Establishment of Stock Exchanges) Regulations
- The Capital Markets (Conduct of Business) Regulations
- The Capital Markets (Prospectus Requirements) Regulations
- The Capital Markets Private Placement Guidelines

The review of the above laws is mainly aimed at operationalizing the CMA Act, 2016.

Leveraging Regional and International Cooperation to Further Capital Markets Development

The Authority leverages on cooperation with like-minded institutions to ensure common regulatory standards and more so, share lessons for capital markets growth and development.

At the regional level, CMA was represented on the Legal Issues Sub Committee (LISC) of the East African Securities Regulatory Authorities (EASRA) meeting held in Kampala from 25-27 April 2018. The resolutions of this meeting will be ratified at the next EASRA Consultative Committee Meeting scheduled to take place in Arusha.

To strengthen international cooperation, the CEO represented the Authority at the Africa Middle East Regional Committee (AMERC) meeting held in Morocco in January 2018. AMERC is one of four regional committees constituted by the International Organization of Securities Commissions (IOSCO) to focus on regional issues relating to securities market regulation and market development in the Africa / Middle-East region.

At their 38 meeting held earlier in Abu Dhabi in February 2017, the 25-member block established a Listing Working Group whose role was to steer listings within the block. In October 2017, CMA Uganda's CEO, Mr. Keith Kalyegira was appointed Chairman of the working group. The working group is tasked with identifying cross cutting bottlenecks to listing of public companies across the AMERC region and establishing ways of addressing the bottlenecks through policy proposals, provision of incentives and advocacy.

Additionally, the CEO, Director Research and Market Development as well as the Chairperson of the Legal Committee of the Board attended the IOSCO Annual Conference and General Meeting in Budapest, Hungary from 07-11 May 2018. The team shared several lessons from their experience with all other staff and various recommendations were made, especially in regards to market development.

Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT) Activities

CMA carried out a joint AML/CFT inspection of one of its intermediaries together with the Financial Intelligence Authority from 31 May to 02 June 2017. The intermediary has since submitted the action plan for closure of inspection findings and the Authority is monitoring the progress of closure of the inspection findings.

During the year under review, CMA was represented at the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Task Force Meeting held in Arusha from the 08 - 13 April 2018.

CMA also participated in the Financial Action Task Force (FATF) onsite assessment of Uganda's AML/CFT conducted from 19 - 20 September2017. The assessment was conducted to confirm whether Uganda had addressed all the deficiencies that had been identified by FATF in the first assessment. The results of the assessment were presented at the FATF plenary meeting held on 02 November 2017. This meeting approved the International Cooperation Review Group (ICRG) recommendation to remove Uganda from the FATF Compliance Document. This means that Uganda is now out of the ICRG review process and is no longer on the FATF grey list, and will no longer be subjected to the FATF's on-going global AML/CFT compliance process.



MARKET SUPERVISION

Regulation of Securities Exchanges and other Self-Regulatory Organizations

The Authority took part in the IMF Workshop on regulation of securities exchanges and Self-Regulatory Organizations (SROs) which took place at the IMF Africa Training Institute in Ebene, Mauritius. Participants included securities regulators from Africa and the Middle East. The purpose of the workshop was to:

- Enhance the participating regulators' knowledge on the international standards and good practices on the regulation and supervision of exchanges and SROs;
- Provide the participating authorities with advice on how to address the technical obstacles and gain political support for them to be able to sign the IOSCO Multilateral Memorandum of Understanding (MMoU); and
- Share experiences on the various challenges with respect to regulation of securities exchanges and SROs.

This course will help the Authority appreciate the challenges of supervising securities exchanges.

Development of on-site Inspection Procedures Manuals

The Authority participated in the IOSCO technical assistance project for development of o-site inspections manuals for securities regulators within the Africa and Middle East Region that took place from 28 November to 01 December 2017 in Nairobi, Kenya. The first phase of the project brought together regulators from Ghana, Tanzania, Zambia, Uganda and Kenya. The objective of the project is to develop a procedures manual on inspections and thereafter, develop a model inspections manual for other securities regulators within the Africa and Middle East Region of IOSCO. The Project will help regulators to expand their inspection procedures and also improve the allocation of supervisory resources towards the inspection process. The Authority later participated in the third phase of the project which took place from 26 - 28 February 2018 in Livingstone, Zambia. Four countries participated in third phase of the project and these were Uganda, Ghana, Kenya and Zambia.

Licensing and Approvals

- During the period under review, Burbidge Capital Limited applied to the Authority seeking to alter their services from Brokerage to purely Investment Advisory business. The Board reviewed and granted the approval for the alteration of the license.
- CMA also approved two Representative License applications for SBG Securities Limited and Baroda Capital Markets Limited.
- Additionally, the Authority reviewed and approved the application for a Collective Investment Scheme and Unit Trust Manager License for Xeno Technologies Uganda Limited. Xeno is Uganda's first licensed robo advisor where collection of client Know-Your-Client (KYC) and risk profiling is done online.
- In August 2017, CMA reviewed and approved an application to demutualize by the Uganda Securities Exchange Limited. Demutualization of the exchange means that the ownership of the company would be separated from the trading rights of its members (the brokers), which will allow for independent, transparent and flexible governance structures that fosters decisive action in response to all the changes in the exchange's operating business environment.
- In October 2017, the Board considered and approved the application of by BIK Capital (U) Limited for a stock brokerage license.
- A *"no objection"* to a private transfer of 12,789,000 DFCU Limited shares from UAP Insurance Company Limited to Old Mutual Africa Frontier Fund was also granted in October 2017.
- During the period, the Authority also received and approved an application for a Fund Manager license from Citadel Capital Uganda Limited.

The Licenses for all market intermediaries expired on 30 April 2018. The Authority had given a deadline to all approved persons of 9 February 2018 for the submission of license renewal applications. Management approved the renewal applications for nine Brokers, nine Fund Managers, eight Investment Advisers, four Collective Investment Schemes managers, one Securities Central Depository and 43 Representative Licenses.

Whereas licensing and approval are core roles of the Authority whose timelines are spelt out clearly in the CMA Client Service Charter, the Authority continues to experience some delays mainly resulting from incomplete applications. It is therefore critical that applicants ensure fullness and correctness of their applications to minimize the period of time taken by the regulator to review. A list of all licenses issued as at the end of the period covered by this report is provided at the end of this report, together with the contact details of the firms.

Corporate Approvals

DFCU Rights Issue: The Authority reviewed and approved the prospectus for the issue of 263,516,083 additional shares to existing shareholders (Rights Issue) of DFCU Limited at a ratio of 0.53 shares for every one share held at the close of business on 24 August 2017. The prospectus was approved on 10 August 2017.

On-site Inspections

During the period under review, the Authority contracted a consultant to undertake inspection of three listed companies. The objective of the inspection was to evaluate the quality of financial information disclosed by firms listed on the Uganda Securities Exchange. The final report was submitted on 16 August 2017. CMA took note of the recommendations and further discussions to implement them commenced.

A business premise inspection of one of the licensed firms - Citadel Capital Limited was undertaken on the 27 November 2017, as part of the due diligence done by the Authority.

Annual inspections of licensed persons also commenced in the same period. A total of five licensed firms (including the USE and its Depository, two fund managers and one broker) were selected out of the annual risk assessment exercise for market players and the inspections commenced on 20 November 2017, and ended on 09 January 2018. The inspections included review of the AML/CFT control environments of the inspected firms.

Investigations

The Authority investigated several cases arising from complaints and tips from the general public as summarized below;

- **Offer of shares to the public by Kilembe Investments Limited (KIL)**

The Authority investigated the alleged sale of shares to the public without CMA approval by Kilembe Investments Limited (KIL). Following the investigation and findings, the management of KIL was cautioned and they immediately stopped the sale. CMA further shared details of how the process can be formalised to help them raise the funds required.

- **The Poverty Alleviation Program managed by Development Channel TV**

Similar to the case of KIL, Development Chanel TV, a company that was reported to be selling shares to the general public without seeking the approval of the Authority as provided for in the CMA Act was cautioned for its action. Several complaints had earlier been received from the members of the public and an investigation into the matter revealed that the company did not stop its actions. CMA engaged the Financial Crimes Division of the Police Criminal Investigations Department and other agencies to assist in the investigations and prosecution of the company directors.

• **BD Wealth Management Uganda Limited**

The Authority received complaints from investors regarding the departure of a licensed firm, BD Wealth Management Uganda Limited, from the Ugandan capital markets. Investigations into the allegations confirmed that the licensee was not present at its last known business premises. The Authority has since embarked on enforcement action as provided for in the law.

• **The DFCU share price investigation**

The Authority received a request from a market participant to carry out an investigation into the DFCU share price movement between 25 September 2017 and 31 December 2017. Investigations into the matter were conducted and no evidence of market manipulation was found.

Complaints Handling

Number of complaints Resolved	15
Number of complaints still under investigation	03
Total Number of Complaints received	18

N.B: The complaints registered were mainly pertaining to offshore funds, ponzi schemes and the delayed transfer of shares.

Corporate Governance for Public Companies

The Authority participated in the first Corporate Governance Assessment of Kenya's 62 listed companies which took place from 4 - 5 December 2017 as part of the preparation for the rollout of Corporate Governance Assessment Framework for Uganda. The assessment was facilitated by the IFC Corporate Governance team for East Africa which developed a number of tools that included the Corporate Governance Return, to be completed by listed companies, a score card and assessment methodology among others. CMA seeks to borrow from Kenya's experience in developing a Corporate Governance assessment framework for Uganda.

EASRA Supervisory College

Two staff members from the Market Supervision department participated in the 4th EASRA supervisory college held in March 2018 in Nairobi, Kenya. The two-week exercise involved the inspection of the Nairobi Securities Exchange (NSE) and the Central Depository and Settlement Corporation. The key take aways for Uganda included the importance of stress testing's techniques and the use of Principles for Financial Market Infrastructures (PMFI) tools.



RESEARCH AND MARKET DEVELOPMENT

Primary and Secondary Market Activity

The securities market did not report any primary equity offerings in the financial year 2017/18.

However, total turn over of depository receipts traded at ALTX East Africa Limited during the period under review was Ugx 398 billion.

Secondary Market Activity at the Uganda Securities Exchange

Equity turnover at the Uganda Securities Exchange (USE) fell by 38.9% in the financial year 2017/18 to Ugx 73.05 billion from Ugx 119.64 billion registered in the previous financial year. Average turnover per session also dropped to Ugx 304.39 million per session from Ugx 504.8.3 million recorded in a similar period last year. Share volume was down 47.11% from 1,117 million in the previous financial year to 591 million.

The dip in market activity can be attributed to the exit of many foreign institutional investors witnessed on key counters such as Umeme Ltd, due to the uncertainty on its contract renewal with government of Uganda. Interest rate increases registered in US financial markets and strong gains posted by its equities segment in the period under review also led to substantial capital outflows from developing and emerging markets.

Table 1: Secondary Market Activity Indicators

	2017/18	2016/17	Change %
Equity Turnover (Ugx, Billion)	73.05	119.64	-38.94
Average Turnover per session (Ugx, Million)	304.39	504.83	-39.70
Share Volume (Million)	591	1,117	-47.11

Source: USE Market Reports

A breakdown of equity turnover at the USE during the financial year by broker indicates that Standard Bank Group Securities Limited traded the highest equity value, accounting for 36.77% of the total equity turnover. The top three trading members of the USE accounted for 84.5% of the total equity turnover during the financial year.

Table 2: Equity Turnover by Broker

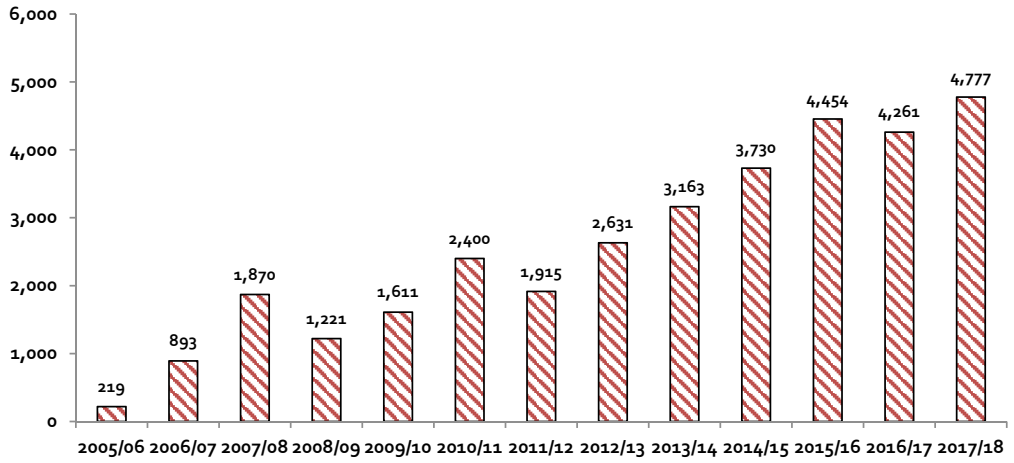
Broker	Equity Turnover (Ugx, Billion) – June 2018	(%)
Standard Bank Group Securities Limited	58.1	36.77
Crested Capital	55.2	34.97
African Alliance (Uganda) Ltd	20.1	12.73
Baroda Capital Markets (U) Ltd	9.1	5.77
UAP Financial Services Ltd	8.4	5.32
Equity Stock Brokers	4.5	2.82
Dyer & Blair Uganda Ltd	2.5	1.56
Crane Financial Services (U) Ltd	0.8	0.05
Total	157.9	100

Source: Uganda Securities Exchange

Market Capitalization and Index Levels

Total market capitalization rose by 24.32% to Ugx 28.56 trillion at the close of the review period from Ugx 22.97 trillion reported in a similar period last year. The USE All Share Index (ALSI) increased by 24.32% to close at 2,089.41 points from 1,680.66 points reported at the close of a similar period last year. Domestic market capitalization closed higher at Ugx 4.78 trillion, representing a gain of 12.12%, from Ugx 4.26 trillion. The USE Local Counter Index grew by 12.12% closing the year at 415.37 index points from 370.46 index points. This was mainly due to share prices gains registered on local listed counters UCL (79.17%), NIC (50%), BOBU (38.89%), DFCU (27.8%) and SBU (18.52%).

Figure 1: Domestic Market Capitalization (Ugx, Billion)

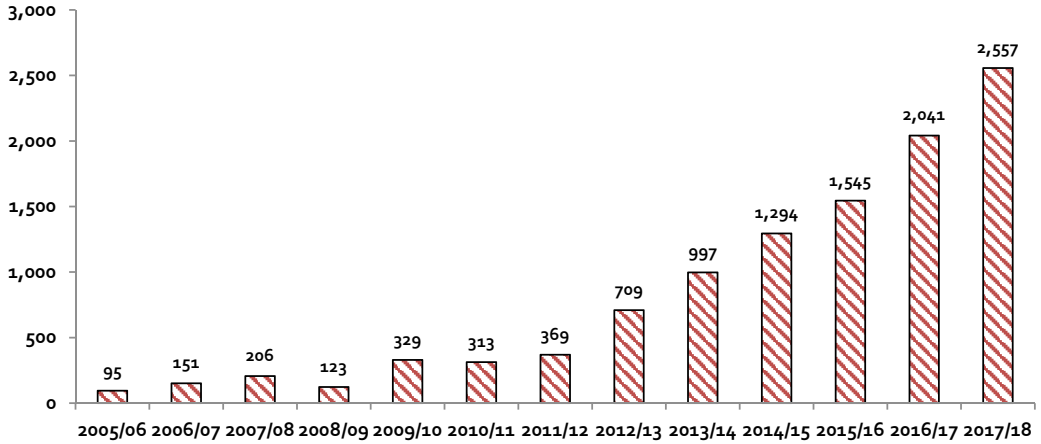


Source: Uganda Securities Exchange

Fund Management

The total funds under management by fund managers licensed by Capital Market Authority (CMA) stood at Ugx 2.56 trillion as at the end of the financial year 2017/18. This was a growth of 25.29% from Ugx 2.04 trillion at the end of the fiscal year 2016/17. The increase in funds under management is credited to the rise in value of the assets held, mainly cash balances and equities.

Figure 2: Funds under Management (Ugx, Billion)



Source: Market Supervision Department

At the end of the financial year, Sanlam Investment East Africa had the highest Assets under Management (AUM), managing 45.65% of the total AUM in the industry. The top three Fund managers controlled 81.11% of the total funds under management.

Table 3: Assets under Management per Fund Manager

No	Fund Manager	AUM (Ugx, Billion) June 2018	(%)
1	Sanlam Investments EA	1,167.7	45.65
2	Gen Africa	596.2	23.31
3	Stanlib Uganda Limited	361.2	14.12
4	UAP Financial Services	253.3	9.91
5	ICEA Investment Services	95.5	3.73
6	African Alliance	67.6	2.64
7	Britam Asset Managers	16.1	0.63
	Total	**2,557.7**	**100**

Source: Market Supervision Department

A breakdown of AUM by asset class indicates that, investment in government bonds took up 58.3% of the total AUM.

Table 4: Asset Allocation

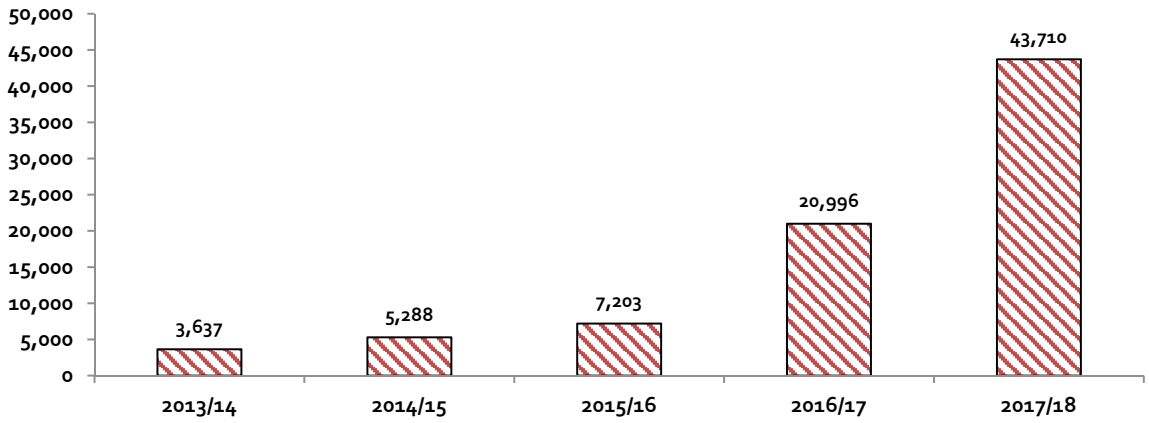
Asset	(%)
Government Bonds	58.3
Equities	20.0
Treasury Bills	10.9
Fixed Deposits	7.9
Cash	1.1
Real Estate	0.6
Corporate Bonds	0.5
Off-shore Investments	0.4
Other investments (foreign currency)	0.3
TOTAL	**100**

Source: Market Supervision Department

Collective Investment Scheme (CIS) Managers by AUM

At the end of the financial year 2017/18, CIS Managers had Ugx 43.7 billion in AUM. This was more than a two fold increase in AUM from Ugx 20.99 billion at the close of the previous financial year. The money market funds registered the highest growth of 68.95% from Ugx20.3 billion to Ugx 34.2 billion at the close of the review period. This could be attributed to increased awareness of Collective Investment Schemes among local investors.

Figure 3: CIS Assets under Management over the last five financial years (Ugx, Million)



Source: Market Supervision Department

At the end of the financial year, Stanlib had the highest Assets under Management (AUM), managing 69.7% of the total AUM held by CIS managers.

Table 5: CIS Assets under Management by Manager

No.	CIS Manager	AUM (Ugx, Billion) June 2018	(%)
1	Stanlib	30.5	69.69
2	ICEA	5.9	13.47
3	UAP	4.9	11.28
4	Xeno	2.4	5.57
	Total	**43.7**	**100**

Source: Market Supervision Department

A breakdown of the CIS assets by fund type showed that a large portion of the assets were held in the Money Market Funds (78.3%).

Table 6: Assets under Management by Fund Type

Type	AUM (Ugx, Billion) June 2018	(%)
Money Market Fund	34.2	78.29
Fixed Income Fund	6.4	14.55
Balanced Fund	3.1	7.15
Total	**43.7**	**100**

Source: Market Supervision Department

Public Education

CMA's public education, focused on outreach to potential investors through face to face presentations made to groups of individuals continued in the period under review. The campaign which is meant to sensitize the public on saving and investing in the capital markets is conducted through external resource persons contracted by CMA. In the financial year 2017/18, a total of 14,763 individuals were reached through face to face presentations made by the Resource Persons and a total of 1,217 SCD[1] accounts were opened. With more enlightened people, the outreach program is expected to increase the demand for capital markets products, hence increasing the market activity in Uganda's capital markets. Additionally, a more enlightened population is better protected.

Implementation of Actions under the Master Plan

CMA embarked on the implementation of the Capital Markets Master Plan following the launch on 15 June 2017. As at 30 June 2018, out of the 97 actions, a total of 40 actions were at different stages of implementation.

Key activities implemented as part of the process of implementing the master plan in the financial year 2017/18 include:

i. The launch of a market certification program providing for minimum competencies of those that CMA regulates (Recommendation 21);
ii. The undertaking of a training in corporate finance as part of efforts to boost the skills of market intermediaries (Recommendation 21);
iii. Launch of an Issuer Resource Persons Program (Recommendation 8)
iv. Activation of an information portal (Recommendation 12);
v. Capacity building for CMA staff on the implementation of the master plan (Recommendation 22);
vi. Publication of fact sheets for approved Collective Investment schemes on the CMA website (Recommendation 13); and
vii. Demonstration of the value of capital raising in capital markets through case studies of successful companies involved in capital raising (Recommendation 8).

1 SCD refers to Securities Central Depository Account

The master plan is a transformative plan that seeks to chart the strategic positioning and future direction of Uganda's capital markets with the view to grow the markets and attract more international capital to meet the financing needs of the economy.

Issuer Education Program Launch

CMA-Uganda launched an Issuer Education Program in the period under review. The program which started on 2 May 2018, involves the use of external contractors to reach out to key persons of prospective issuers (such as board members, Chief Executive Officers and Chief Financial Officers) to sensitize them on opportunities presented by market based financing. A total of 15 Resource Persons drawn from fields such as law, accounting, development finance, capital markets and banking are currently part of the program.

A key milestone for Issuer Resource Persons is the making of presentations to full boards of prospective issuers on market based financing. During the presentations, boards are sensitized on the different types of market based financing, its merits and the preparatory steps for accessing it. The Resource Persons are expected to tap into their networks to reach business owners and founders, CEOs, Board members and CFOs in companies that show prospects of tapping into market based financing. Through the networks, full board presentations are scheduled. At the end of the financial year, two presentations had been made to boards of prospective issuers.

Capital Markets Week

The Capital Markets Authority (CMA) held the first ever Capital Markets week. The event was aimed at increasing awareness and understanding of capital markets among the different target groups, and to eventually drive market activity through increased investor participation. The event took place at the constitutional square in Kampala, Uganda from 6 - 8 June, 2018 and was open to the general public.

Over 1,000 people walked to the different stalls during the three-day event and were sensitized on saving and investing in the capital markets. During the event, over 300 Securities Central Depository (SCD) accounts and 113 Collective Investment Scheme (CIS) accounts were opened. CMA intends to have the Capital Markets Week as an annual event in its calendar and hopes to eventually roll out the event nationally.

Corporate Finance Training

CMA held an inaugural corporate finance training from 25- 27 June 2018. The training was facilitated by the National Institute of Securities Market, the training arm of the Securities Exchange Board of India. The training drew over 20 participants from the capital markets industry in Uganda. During the training, participants were taken through the process of engaging companies and preparing them for market based financing, the various market based financing options, regulatory aspects of tapping market based finance, valuation of companies and alternative market based finance options such as private equity.

The training on corporate finance was the first among a series of trainings that aim at building the capacity of market intermediaries to originate financing using market based options. Several other trainings have been lined up in seeking to boost the capacity of market intermediaries in Uganda.

Launch of the Market Certification Program

On 28 June 2018, CMA and the Chartered Institute of Securities and Investment (CISI) launched the Capital Markets certification program. The launch of the market certification program was a milestone in efforts to professionalize Uganda's capital markets industry through effective combination of knowledge, skills and high standards of integrity. The launch of the market certification program is expected to hasten the pace of implementation of the master plan, a process that requires highly skilled market practitioners. Improved competencies are expected to enhance the confidence of both domestic and international market players, driving activity upwards.



FINANCIAL STATEMENTS

CAPITAL MARKETS AUTHORITY
FINANCIAL STATEMENTS
30th JUNE 2018

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

8th Floor, Jubilee Insurance Centre
14 Parliament Avenue
P. O. Box 24565
Kampala, Uganda

DIRECTORS

Ms. Josephine K Opondo	-Chairperson
Mr. Bemanya Twebaze	-Member
Ms. Irene Lugayizi	-Member
Mr. Joseph Enyimu	-Member
Mr. Saul Sseremba	-Member
Mr. Nelson Nerima	-Member
Ms. Joselyn Kateeba	-Member
Mr. Fabian Kasi	-Member
Mr. Donald Nyakairu	-Member
Mr. Keith Kalyegira	-Chief Executive Officer

BANKERS

Stanbic Bank Uganda Limited
17 Hannington Road Crested Towers
P. O. Box 7131
Kampala, Uganda

Standard Chartered Bank Uganda Limited
5 Speke Road
P. O. Box 7111
Kampala, Uganda

dfcu Bank Uganda Limited
Plot 26, Kyadondo road
P. O. Box 70
Kampala, Uganda

Bank of Uganda
37-47, Kampala road
P. O. Box 7120
Kampala, Uganda

AUDITORS

Auditor General
Office of the Auditor General
Audit House
Apollo Kaggwa Road
P. O. Box 7083
Kampala, Uganda

DELEGATED AUDITORS

Ernst & Young
Certified Public Accountants (Uganda)
Ernst & Young House
Plot 18, Clement Hill Road
Shimoni Office Village
P. O. Box 7215
Kampala, Uganda

The directors submit their report together with the audited financial statements for the year ended 30 June 2018, which disclose the state of affairs of Capital Markets Authority ('the Authority').

1. PRINCIPAL ACTIVITY

The Authority was established under the Capital Markets Authority Act (Cap 84) for the purpose of promoting and facilitating the development of an orderly, fair and efficient capital markets industry in Uganda and regulating stock exchanges, brokers/dealers, investment advisors and all other persons dealing in securities business.

The Authority is mainly funded from the Government of Uganda consolidated fund as stipulated in section 8, sub-section 1 and 2 of the CMA Act (Cap 84).

2. RESULTS

The financial results for the year are as below:

	General Fund Ushs'000	Investor Compensation Fund Ushs'000	Total Ushs'000
Surplus before tax	1,187,500	321,137	1,508,637
Withholding tax on investment income	(120,910)	(57,522)	(178,432)
Surplus for the year	1,066,590	263,615	1,330,205

Please refer to note 17 on page 35 for the definition of the Investor Compensation Fund.

3. RESERVES

The reserves for the year are set out on page 11.

The Authority entered into an agreement with Uganda Registration Services Bureau and Uganda Investment Authority to contribute funds for the construction of office space. The reserves are marked to meet the cost of the office space as agreed in the agreement.

4. DIRECTORS

The directors who held office during the year and to the date of this report are as set out on page 1.

5. AUDITORS

In accordance with Article 163 of the Constitution of the Republic of Uganda and Sections 13 (1) (a), 17 and 23 of the National Audit Act, 2008, the financial statements of the Authority shall be audited once every year by the Auditor General. Section 23 of National Audit Act, 2008 permits the Auditor General to appoint private auditors to carry out such audit on his/her behalf. For the year ended 30 June 2018, M/S Ernst & Young, Certified Public Accountants were appointed to act on behalf of the Auditor General.

By order of the Board

Signed.....

DIRECTOR LEGAL AND BOARD AFFAIRS

Date.....31 October.....2018

The Capital Markets Authority Act (Cap 84) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the operating results of the Authority for that year. It also requires the directors to ensure the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The directors are responsible for the preparation of financial statements that give a true and fair view, in accordance with International Financial Reporting Standards and the requirements of the Capital Markets Authority Act (Cap 84) and the Capital Markets Authority (Amendment) Act 2016, and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Capital Markets Authority Act (Cap 84) and the Capital Markets Authority (Amendment) Act 2016. The directors are of the opinion that the accompanying financial statements give a true and fair view of the state of the financial affairs of the Authority and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this report.

The financial statements were approved by the Board of Directors on ..31..Oct....2018 and signed on its behalf by:

.....

Director

.....

Director

	Note	2018 General Fund Ushs'000	2018 Investor Compensation Fund (Note 17 (c)) Ushs'000	2018 Total Ushs'000	2017* Restated General Fund Ushs'000	2017* Restated Investor Compensation Fund (Note 17 (c)) Ushs'000	2017* Restated Total Ushs'000
Revenue							
Government grants	3	5,210,038	-	5,210,038	3,083,802	-	3,083,802
Prospectus and floatation fees	4	22,000	-	22,000	582,741	-	582,741
Licensing fees income		218,313	-	218,313	94,558	-	94,558
Interest income	5 & 17(c)	654,721	292,624	947,345	513,479	272,656	786,135
Other income*		13,671		13,671	-	5,000	5,000
Gain on foreign exchange translation	6(a)	-	-	-	25,350	-	25,350
Release of capital	19	-	-	-	24,524	-	24,524
Commission income	7&17(c)	202,926	28,989	231,915	627,323	89,519	716,842
		6,321,669	321,613	6,643,282	4,951,777	367,175	5,318,952
Expenses							
Staff costs	8	3,124,282	-	3,124,282	2,538,308	-	2,538,308
Administration expenses	9&17(c)	929,405	476	929,881	841,767	378	842,145
Other operating expenses	10	1,080,482	-	1,080,482	725,848	-	725,848
		5,134,169	476	5,134,645	4,105,923	378	4,106,301
Surplus before tax	11	1,187,500	321,137	1,508,637	845,854	366,797	1,212,651
Withholding tax on investment income	12	(120,910)	(57,522)	(178,432)	(114,995)	(53,577)	(168,572)
Surplus for the year		1,066,590	263,615	1,330,205	730,859	313,220	1,044,079
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income for the year, net of tax		1,066,590	263,615	1,330,205	730,859	313,220	1,044,079

*Certain amounts shown here do not correspond to the 2017 financial statements and reflect adjustments included in Note 25.

	Note	2018 General Fund Ushs'000	2018 Investor Compensation Fund (Note 17) Ushs'000	2018 Total Ushs'000	2017 General Fund Ushs'000	2017* Restated Investor Compensation Fund (Note 17) Ushs'000	2017* Restated Total Ushs'000	As at 1 July 2016* Restated Total (Note 26) Ushs'000
ASSETS								
Non-current assets								
Property and equipment	13	145,826	-	145,826	61,304	-	61,304	82,122
		145,826	-	**145,826**	**61,304**	-	**61,304**	**82,122**
Current assets								
Held-to-maturity investments	14	2,545,159	1,450,270	3,995,429	2,526,640	1,466,803	3,993,443	3,153,444
Accounts receivable	16&17(b)	191,151	3,633	194,784	219,114	20,600	239,714	174,871
Fixed deposit balances	15	1,809,492	295,289	2,104,781	1,518,642	215,361	1,734,003	902,036
Broker/dealer bank account	18 (b)	6,712	-	6,712	2,195	-	2,195	2,657
Investor Compensation Fund bank account	17(a)	-	426,237	426,237		135,964	135,964	37,913
Cash and bank balances	18 (a)	926,669	-	926,669	296,773	-	296,773	765,944
		5,479,183	**2,175,429**	**7,654,612**	**4,563,364**	**1,838,728**	**6,402,092**	**5,036,865**
Total assets		**5,625,009**	**2,175,429**	**7,800,438**	**4,624,668**	**1,838,728**	**6,463,396**	**5,118,987**
RESERVES AND LIABILITIES								
Reserves								
General Fund		4,982,171	-	4,982,171	3,988,667	-	3,988,667	3,277,892
Investor Compensation Fund*	17(c)	-	2,175,429	2,175,429	-	1,838,728	1,838,728	1,505,424
		4,982,171	**2,175,429**	**7,157,600**	**3,988,667**	**1,838,728**	**5,827,395**	**4,783,316**
Non-current liabilities								
Capital Grant	19	-	-	-	61,307	-	61,307	82,125
		-	-	-	**61,307**	-	**61,307**	**82,125**
Current liabilities								
Broker/dealer deposits	20	100,000	-	100,000	95,000	-	95,000	95,000
Payables & accrued expenses	21	542,838	-	542,838	479,694	-	479,694	158,546
		642,838	-	**642,838**	**574,694**	-	**574,694**	**253,546**
Total reserves and liabilities		**5,625,009**	**2,175,429**	**7,800,438**	**4,624,668**	**1,838,728**	**6,463,396**	**5,118,987**

The financial statements were approved by the Board of Directors on 31 October 2018 and signed on its behalf by:

Director ..... Director .....

*Certain amounts shown here do not correspond to the 2017 financial statements and reflect adjustments included in Note 25.

	General Fund Ushs'000	Investor Compensation Fund Ushs'000	Total Ushs'000
At 1 July 2016 (as previously stated)	3,277,892	-	3,277,892
Prior period adjustment (note 25)	-	1,505,424	1,505,424
At 1 July 2016 (restated)	**3,277,892**	**1,505,424**	**4,783,316**
Total comprehensive income for the year	730,859	313,220	1,044,079
Transfer to Investor Compensation Fund (Note 17)	(20,084)	20,084	-
At 30 June 2017 (restated)	**3,988,667**	**1,838,728**	**5,827,395**
At 1 July 2017 (restated)	3,988,667	1,838,728	5,827,395
Total comprehensive income for the year	1,066,590	263,615	1,330,205
Transfer to Investor Compensation Fund (Note 17)	(73,086)	73,086	-
At 30 June 2018	**4,982,171**	**2,175,429**	**7,157,600**

	Note	2018 Ushs'000	2017* Restated Ushs'000
OPERATING ACTIVITIES			
Surplus before tax		1,508,637	1,212,651
Adjustments for:			
Interest income		(947,345)	(786,135)
Depreciation	13	25,587	24,524
Release of capital grants	19	-	(24,524)
		586,879	**426,516**
(Decrease)/Increase in receivables	16&17(b)	44,930	(64,842)
Increase in payables and accrued expenses	19,20&21	6,837	321,148
Net cash flows generated from operating activities		**638,646**	**682,822**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	13	(110,109)	(3,706)
Purchase of government securities and fixed deposits		(2,700,000)	(1,600,000)
Interest income received on investments		771,149	545,596
Redemption of government securities and fixed deposits		2,325,000	-
Net cash flows generated from/(used in) investing activities		**286,040**	**(1,058,110)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital grant received	3(a)	-	3,706
Net cash flows from financing activities		**-**	**3,706**
Net increase/(decrease) in cash and cash equivalents		**924,686**	**(371,582)**
Cash and cash equivalents at the beginning of the year		434,932	806,514
Cash and cash equivalents as at 30 June	18	**1,359,618**	**434,932**

1. REPORTING ENTITY INFORMATION

The Capital Markets Authority was established in Uganda under the Capital Markets Authority Act and is domiciled in Uganda.

The financial statements for the year ended 30 June 2018 were authorized for issue in accordance with a resolution of the Board of Directors on...31 October.....2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared on a historical cost basis of accounting.

b) Currency

The financial statements are presented in Uganda shillings, which is also the authority's functional currency, and all values have been rounded to the nearest thousand (Ushs'000).

c) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Capital Markets Authority Act.

d) Revenue recognition

Interest income is recognized in profit or loss on an accrual basis using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Commission income is recognized in profit or loss on an accrual basis and is computed in accordance with the Capital Markets Authority Act. It is earned on trades made on the Uganda Securities Exchange as a stipulated percentage of these trades. (0.14% as commission earned by the General Fund and 0.02% as commission earned by the Investor Compensation Fund).

Licensing fees is recognized in profit or loss. The fees charged by the Authority are in accordance with the Capital Markets Authority (Licensing) regulations. Licensing fees from broker/dealers and investment advisers are recognized over the period for which the Authority has received and approved an application for license or renewal trading fees from brokers/dealers. The fees are paid annually as is required by the regulations.

e) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Government grants

to compensate, are expensed. When the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. Both the asset and the grant are recognized at nominal amount.

f) Foreign currencies

The authority's functional currency is Uganda Shillings (Ushs). Transactions in foreign currencies are initially recorded at the functional currency at the spot exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

g) Property and equipment

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Depreciation is calculated on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Office equipment	4 years
Furniture and fittings	5 years
Motor vehicles	5 years

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its estimated recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property and equipment (continued)

fair value less costs of disposal and its value in use. Impairment losses are recognized in profit or loss in expense categories consistent with the function of the impaired asset. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible Assets

Where software is not an integral part of the related hardware, computer software is treated as an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their useful lives of 4 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets. The Authority currently has no intangible asset as this has been fully armotised.

i) Impairment of non-financial assets

The Authority assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of non-financial assets (continued)

traded companies or other available fair value indicators. Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in profit or loss.

j) Fair value measurement of financial instruments

The Authority discloses the fair values of financial instruments such as held to maturity investments in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Authority.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Fair value measurement of financial instruments (continued)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Authority determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Authority has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments for which fair values are disclosed, are included in note 24.

k) Investor Compensation Fund

The Investor Compensation Fund consists of contributions by the Authority (10% of the surplus for the prior year) from the general fund, compensation fund fees charged on brokers' commission and interest accruing from investment of the fund's cash in government securities and other investments.

l) Taxation

Capital Markets Authority is an exempt organization in accordance with Section 2 of the Income Tax Act 1997. In accordance with section 21(f) of the Income Tax Act 1997, any income other than business income that is not related to the function constituting the basis of the organisation's existence, is classified as exempt income. In that regard, withholding tax has been charged to the interest income on government securities and fixed deposits.

m) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts.

n) Financial Instruments

i) Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments (continued)

ii) Financial assets

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date (the date that the Authority commits to purchase or sell the asset.)

The Authority's financial assets include bank balances, held-to-maturity investments and receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity investments when the Authority has the positive intention and ability to hold until maturity. These include investments in government securities.

Loans and Receivables

These includes bank balances, fixed deposits and receivables, and are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', or designated as 'financial investments available for sale' or 'financial assets at fair value through profit or loss'.

Subsequent measurement

After initial measurement, bank balances, held-to-maturity investments and receivables are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortisation is calculated by taking into account any discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The EIR amortisation is included as other income in profit or loss. The losses arising from impairment are recognised in profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iii) Financial liabilities

The Authority's financial liabilities include payables and broker/dealer deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments (continued)

iii) Financial liabilities (continued)

Subsequent measurement

After initial measurement, the Authority's financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Impairment of financial assets

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a debtor or group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Impairment of financial assets (continued)

occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is recognised other income in profit or loss.

o) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Authority will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Authority currently does not have any assets on finance lease.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

p) Critical accounting estimates and judgements in applying the Authority's accounting policies

In the process of applying the entity's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement in applying the Authority's accounting policies are dealt with below:

i) Held-To-Maturity Financial Assets

The Authority follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Held-To-Maturity Financial Assets (continued)

Authority evaluates its intention and ability to hold such assets to maturity. If the Authority fails to keep these assets to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to classify the entire class as available-for-sale. Further details are included in Note 14 of the financial statements.

p) Critical accounting estimates and judgements in applying the Authority's accounting policies

ii) Useful lives of property and equipment

The Authority follows the guidance of IAS 16 in making estimates of useful lives and depreciation methods of property and equipment.
The depreciation method reflects the pattern in which economic benefits attributable to the asset flows to the entity. The useful lives of these assets can vary depending on a variety of factors, including, but not limited to, technological obsolescence, maintenance programs, refurbishments and the intention of management.

The estimation of the useful life of an asset is a matter of judgement based on the past experience of the Authority with similar assets and the intention of management. Further details are included in Note 13 to the financial statements.

		2018	2017
3.	**GOVERNMENT GRANTS**	**Ushs'000**	**Ushs'000**
	Ministry of Finance, Planning and Economic Development	4,748,731	2,687,508
	Bank of Uganda (note 3(a))	461,307	396,294
		5,210,038	**3,083,802**

The Ministry of finance funding received is to finance the government Authority (CMA) as per its annual budget approved by the Parliament of Uganda. Funds are purposely to be used in implementing activities as per the budget and those activities approved by the Board of Directors appointed by the Minister of Finance with the objective of meeting its mandate.

a)	**Bank of Uganda grant**		
	Total funds received* (note 19)	400,000	400,000
	Recognition of prior period capital grant as income*	61,307	
	Transfer to capital grant (Note 18)	-	(3,706)
		461,307	**396,294**

*Included in the balance is Ushs 61,307,000 relating to funds received in the prior periods that had been erroneously deferred however an adjustment has been made to recognize this as income during the current period.

4.	**PROSPECTUS AND FLOATATION FEES**		
	Prospectus application fee	**22,000**	**582,741**
5.	**INTEREST INCOME**		
	Interest income on investments	**654,721**	**513,479**
6.	**OTHER INCOME**		
a)	**Gain on foreign exchange translation**		
	Unrealised exchange gain	-	**25,350**

The average exchange rate of the Ushs/USD during the year ended 30 June 2018 was 3,659.61 (2017: 3,590)

		2018	2017
		Ushs'000	**Ushs'000**
7.	**COMMISSION INCOME**		
	Trade commission income	**202,926**	**627,323**

Commission is earned on trades on the Uganda Securities Exchange. It is 0.14% of all trades on the Stock Exchange.

8. STAFF COSTS	2018 Ushs'000	2017 Ushs'000
Salaries and wages	2,053,524	1,619,395
Staff provident fund	128,524	224,973
Staff welfare	273,025	262,268
NSSF contribution	210,058	172,729
Staff medical scheme	71,401	55,689
Insurance & Group Personal Accident	32,120	34,127
Overtime & other allowances	355,630	169,127
	3,124,282	**2,538,308**

9. ADMINISTRATION EXPENSES	2018 Ushs'000	2017 Ushs'000
Office general expenses	142,864	151,689
Office rent	309,394	296,523
Depreciation	25,587	24,524
Legal and compliance	152,947	74,799
Motor vehicle maintenance and fuel	36,249	24,856
Telephone, fax, postage and e-mail	11,023	10,177
Subscriptions	73,752	64,465
Publication, printing and stationery expenses	19,932	16,769
Statutory audit expenses	39,695	39,695
Consultancy fees	14,030	75,764
Internal audit fees	25,600	25,600
Office repairs and maintenance	13,468	12,082
Bank charges	7,180	6,234
Advertisement and media coverage	55,094	18,590
Foreign exchange Loss	2,590	-
	929,405	**841,767**

10. OTHER OPERATING EXPENSES		
Regional integration and joint inspections	289,222	212,383
Capacity building*	191,150	160,787
Mass education	298,702	171,205
Directors' fees and allowances	126,500	98,844
Other board expenses	174,908	82,629
	1,080,482	**725,848**

*Capacity building expenses mainly relate to training and development expenses for CMA staff to enable them gain more capacity and to handle their role as a regulator as well as develop their skills and knowledge and to enable them learn from more developed markets.

11. SURPLUS BEFORE TAX		
The surplus before tax is stated after charging:		
Statutory audit fees	39,695	39,695
Depreciation	25,587	24,524
Directors' fees and allowances	126,500	98,844

12. Withholding tax is levied at a rate of 20% on Held to maturity investment income received and at a rate of 15% on Fixed deposit income, this amounted to 120,910 (2017: 114,995) withholding tax expense in the current year. The same rates apply for the ICF income and this amounted to 57,522 (2017: 53,577).

13. PROPERTY AND EQUIPMENT

	Office Equipment	Furniture & fittings	Motor vehicles	Total
Cost	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**
At 1 July 2016	204,240	304,719	259,170	768,129
Additions	3,706	-	-	3,706
At 30 June 2017	**207,946**	**304,719**	**259,170**	**771,835**
Additions	72,307	37,802	-	110,109
At 30 June 2018	**280,253**	**342,521**	**259,170**	**881,944**
Accumulated depreciation				
At 1 July 2016	136,878	289,959	259,170	686,007
Charge for the year	20,125	4,399		24,524
At 30 June 2017	**157,003**	**294,358**	**259,170**	**710,531**
Charge for the year	20,765	4,822	-	25,587
At 30 June 2018	**177,768**	**299,180**	**259,170**	**736,118**
Net carrying amount				
At 30 June 2018	**102,485**	**43,341**	**-**	**145,826**
At 30 June 2017	**50,943**	**10,361**	**-**	**61,304**

14. HELD-TO-MATURITY INVESTMENTS

	2018 Ushs'000	2017 Ushs'000
Government Securities		
Maturing within three months	841,394	-
Maturing after twelve months	1,703,765	2,526,640
Total held-to-maturity investments	**2,545,159**	**2,526,640**
Investor Compensation Fund		
Maturing within three months	-	-
Maturing after three months	-	-
Maturing after twelve months	1,450,270	1,466,803
Total held-to-maturity investments (Note 17(b))	**1,450,270**	**1,466,803**

		2018 Ushs'000	2017 Ushs'000
15.	**FIXED DEPOSIT BALANCES**		
	Fixed deposits		
	Maturing within three months	1,809,492	810,652
	Maturing after three months	-	707,990
	Maturing after twelve months	-	-
	Total fixed deposit balances	**1,809,492**	**1,518,642**
	Investor Compensation Fund		
	Maturing within three months	295,289	215,361
	Maturing after three months	-	-
	Maturing after twelve months	-	-
	Total fixed deposit balances (Note 17(b))	**295,289**	**215,361**

The weighted average effective interest rate earned on the above investments for the year ended 30 June 2018 was 13.75% (2017: 16.25%)

		2018 Ushs'000	2017 Ushs'000
16.	**ACCOUNTS RECEIVABLE**		
	Dealers/brokers	28,009	90,959
	Prepayments	162,052	126,959
	Sundry debtors	240	1,196
	Activity advance	850	-
		191,151	**219,114**

Amounts due from dealers/brokers are non-interest bearing and have a 20 day payment period. The other receivables are non-interest bearing and are due on demand. The prepayments relate to prepaid rent, insurance and subscriptions to professional bodies made during the year.

		2018 Ushs'000	2017 Ushs'000
17.	**INVESTOR COMPENSATION FUND**		
a)	**Investor compensation fund bank balance**	**426,237**	**135,964**
b)	**Investor compensation fund**		
	Investor compensation fund bank balance	426,237	135,964
	Held to maturity Investments (Note 14)	1,450,270	1,466,803
	Fixed Deposits (Note 15)	295,289	215,361
	Receivables	3,633	20,600
		2,175,429	**1,838,728**
c)	**Investor compensation fund account movement**		
	At the beginning of the year	1,838,728	1,505,424
	Net Interest on treasury bonds and fixed deposits*	235,102	219,079
	Commission income	28,989	89,519
	10% of surplus from general fund	73,086	20,084
	Fines & Penalties		5,000
	Bank charges	(476)	(378)
	At 30 June	**2,175,429**	**1,838,728**

*The interest is the amount after the deduction of withholding tax

17. INVESTOR COMPENSATION FUND

**Reconciliation of the interest on fixed income		
Interest on fixed income (gross)	292,624	272,656
Withholding tax on treasury bonds at 20% &	(50,993)	(50,715)
Withholding tax on fixed deposits at 15%	(6,529)	(2,862)
	235,102	**219,079**

As per the Capital Markets Authority, Chapter 84, Section 81(2), the authority is mandated to make contributions from the General Fund to the Investor Compensation Fund. The Authority makes a contribution of 10% of the surplus for the prior year to the Investor Compensation Fund. The investor compensation fund is set up for the purpose of granting compensation to investors who suffer pecuniary losses resulting from the failure of a licensed broker or dealer to meet his contractual obligations. It is to be operated by the Capital Markets Authority as is stipulated in the mandate of the Authority.

18. CASH AND BANK BALANCES

	2018 Ushs'000	2017 Ushs'000
(a) Cash and bank balances owned by CMA		
Cash at bank	925,504	295,285
Cash at hand	1,165	1,488
	926,669	**296,773**
(b) Bank balances held on behalf of investors		
Investor compensation fund bank balance(Note 17(a))	426,237	135,964
Broker/dealer bank balance	6,712	2,195
	432,949	**138,159**
Cash and cash equivalents	**1,359,618**	**434,932**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks net of bank overdrafts. The cash and cash equivalents at 30 June comprise the following:

(c)	2018 Ushs'000	2017 Ushs'000
Cash at bank and in hand belonging to the entity	926,669	296,773
Investor compensation fund bank account	426,237	135,964
Broker/dealer bank account	6,712	2,195
	1,359,618	**434,932**

19. CAPITAL GRANT

At 1 July	61,307	82,125
Capital grant received during the year	-	3,706
Release of capital grant to income	-	(24,524)
Recognition of prior period capital grant as income	(61,307)	-
At 30 June*	-	**61,307**

19. CAPITAL GRANT (CONTINUED)

*Adjustments relating to the prior period were made to the above balance. These relate to funding that the Authority received from Bank of Uganda over the period. The Authority was initially deferring a portion of this funding (amounts used to buy assets) however there is no grant agreement in place to tag the funding to the procurement of assets and therefore the initial accounting treatment was found to be incorrect. The corrections were made in the current period.

20. BROKER/DEALER DEPOSITS

Broker/dealer deposits	100,000	95,000

Broker/dealer deposits relate to deposits received from licensees as stipulated by the licensing regulations at the time of commencing business and are refundable upon exit. There was one new licensee during the year under review. The licensee paid the deposit in the year 2017/2018

21. PAYABLES AND ACCRUED EXPENSES

	2018 Ushs'000	2017 Ushs'000
Creditors	305,272	167,094
Other payables	217,566	292,600
Credit card payable	20,000	20,000
	542,838	479,694

The amounts payable do not attract any interest and are ordinarily settled within 30 days.

22. RELATED PARTIES

Transactions and balances with related parties

The following were the transactions carried out with related parties and the balances as at 30 June:

a) List of related parties

(i) **Government of Uganda**

The Bank of Uganda provides an annual contribution to the Authority so that it can meet its mandate. In addition, the Authority also purchases Government Securities for which Bank of Uganda is the custodian. The annual contribution made during the year was of Ushs 400 million and the Authority had a balance of Ushs 2,545,159,000 in Government securities as at year end. There was no impairment allowance provided for on the above balance as at year end. In addition, the Bank of Uganda has a sitting representative on the Authority's Board of Directors.

(ii) **Ministry of Finance Planning and Economic Development**

Ministry of Finance, Planning and Economic Development provides the biggest annual contribution to the Authority so that it can meet its mandate. In addition, the Authority reports to the Minister on quarterly performance. The Minister of Finance Planning and Economic Development appoints the Authority's Board of Directors. The money received from the Ministry during the year is shown below.

22. RELATED PARTIES (CONTINUED)

(iii) Directors

The Board of Directors provides direction to the Authority so that it can meet its mandate. The board's emoluments have been detailed below;

	2018 Ushs'000	2017 Ushs'000
Amounts due from related parties		
Bank of Uganda – Held-to-maturity investments	2,545,159	2,526,640
Transactions with related parties		
Bank of Uganda		
Grant received	400,000	400,000
Ministry of Finance Planning and Economic Development		
Grant received	4,748,731	2,687,508
Interest income on government securities	454,141	465,184
Compensation for key management personnel and directors' emoluments		
Directors' fees and allowances	126,500	98,844
Key management's Gratuity*	303,066	8,824
Staff Provident fund*	273,025	262,268

* The above amounts were previously not disclosed in the prior year audited financial statements but have been included in the current year.

The transactions with related parties related to investments in government bonds, grant received from Bank of Uganda, and board member's remuneration.

23. FINANCIAL RISK MANAGEMENT

The Authority has exposure to the following risks from its financial instruments.

- Credit risk
- Liquidity risk
- Market risk

The Authority's business activities include the promotion and facilitation of the development of an orderly, fair and efficient capital markets industry in Uganda. Management endeavors at all times to minimise risks. Management has put in place policies in all its functions as a control against risk exposure.

The Authority generates some of its revenues by investing in various income generating activities which involve investing in Government securities. These activities expose the Authority to a variety of financial risks, including credit risk, liquidity risk and market risks. The Authority's overall risk management programme focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the Board. Management reviews the market trends and information available to evaluate the potential exposures and then develops strategies to mitigate against market risks.

Management provides written principles for overall risk management, as well as written policies covering specific areas such as foreign currency risk, interest rate risk, credit risk and investing excess liquidity.

The Authority's risks are managed as follows:

a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from accounts receivables, bank balances, fixed deposit balances and held-to-maturity investments. The Authority faces a risk of loss of funds in case of bank failure since fixed deposits are not secured. As part of the credit risk management system, management monitors the status of financial institutions where deposits are maintained and invests in more than one bank and for shorter periods as a risk diversification strategy. The amount that best represents the Authority's maximum exposure to credit risk as at 30 June is made up of the following:

	2018 Ushs'000	2017 Ushs'000
Held-to-maturity investments	3,995,429	3,993,443
Fixed Deposit balances	2,104,781	1,734,003
Bank balances	1,358,453	433,444
Accounts receivables	32,732	112,755
	7,491,395	**6,273,645**

No collateral is held for any of the above financial assets. There were no financial assets that were past due as at the end of the reporting period but not impaired. There were also no financial assets that were individually determined to be impaired as at the end of the reporting period

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and market securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Authority monitors its risk of shortage of funds using budget analysis. This involves analyzing maturities of both its financial assets and liabilities. The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of investments and cash collections from share trading operations on the Uganda Securities Exchange.
The table below analyses financial assets and financial liabilities into relevant maturity groupings based on the remaining period as at 30 June 2018 to the contractual maturity date.

	0-3 months Ushs'000	4-6 Months Ushs'000	7-12 months Ushs'000	>12 month Ushs'000	Total Ushs'000
At 30 June 2018					
Financial assets					
Cash & bank balances	1,359,618	-	-	-	1,359,618
Held-to-maturity investments	841,394	-	-	3,154,035	3,995,429
Fixed deposit balances	2,104,781	-	-	-	2,104,781
Receivables	32,732	-		-	32,732
Total	**4,338,525**	-		**3,154,035**	**7,492,560**
Financial liabilities					
Payables and accrued expenses	542,838	-	-	-	542,838
Broker and dealer deposits	100,000	-	-		100,000
Total	**642,838**	-	-	-	**642,838**
Net liquidity gap	**3,695,687**	-	-	**3,154,035**	**6,849,722**

At 30 June 2017	0-3 Months Ushs'000	4-6 months Ushs'000	7-12 months Ushs'000	>12 months Ushs'000	Total Ushs'000
Financial assets					
Cash & bank balances	434,932	-	-	-	434,932
Held-to-maturity investments	-	-	-	3,993,443	3,993,443
Fixed deposit balances	810,652	923,351	-	-	1,734,003
Receivables	112,755	-	-	-	112,755
Total	**1,358,339**	**923,351**	-	**3,993,443**	**6,275,133**

Liquidity risk (continued)

At 30 June 2017	0-3 Months Ushs'000	4-6 months Ushs'000	7-12 months Ushs'000	>12 months Ushs'000	Total Ushs'000
Financial liabilities					
Payables and accrued expenses	479,694	-	-	-	479,694
Broker and dealer deposits*	95,000	-	-		95,000
Total	**574,694**	-	-	-	**574,694**
Net liquidity gap	**783,645**	**923,351**	-	**3,993,443**	**5,700,439**

* The above balance has been reclassified from a non-current liability (over 12 months category) to a current liability (0 to 3 months category).

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within the acceptable parameters, while optimising the return on investment.

Management of market risks

Market risk arises from a decrease in the market value of a portfolio of financial instruments caused by adverse movements in the market variables such as currency exchange rates and interest rates.

The Board is mandated with management of market risk through and it exercises this mandate through approval of investment decisions undertaken.

Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Authority undertakes certain transactions denominated in foreign currencies and is, therefore, exposed to exchange rate fluctuations. The Authority minimises the impact of foreign exchange rate fluctuations through negotiation of foreign exchange rates. In addition, the Authority opened a dollar account to handle foreign exchange transactions as well as holding accounts in banks where the exchange rates are favorable. The carrying amounts of the Authority's USD denominated financial instruments at the end of the reporting period are as follows:

	Ushs'000
As at 30 June 2018	
Financial assets	
Bank balances	153
Total assets	**153**
As at 30 June 2017	
Financial assets	
Bank balances	238,598
Total assets	**238,598**

Foreign currency risk (continued)

The sensitivity analysis would show that the surplus for the year would decrease/increase by Ushs'000 7.65 (2017: Ushs'000 11,929) if the market risk variables of the US dollars appreciated/depreciated by 5% against the Uganda Shilling.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority's exposure to the risk of changes in market interest rate would arise from general increase in interest rates since the Authority invests mainly in fixed deposits and government securities. The risk would be lost opportunities to invest funds at higher rates. The Authority does not have any interest bearing liabilities.

24. FAIR VALUE OF MEASUREMENT

The fair values of financial assets and liabilities together with their carrying amounts included in the statement of financial position are shown below:

	30 June 2018		30 June 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial instrument categories	**Ushs '000**	**Ushs '000**	**Ushs '000**	**Ushs '000**
Assets				
Held to maturity investments				
Held to maturity investments	3,995,429	4,118,694	3,993,443	4,951,869
	3,995,429	**4,118,694**	**3,993,443**	**4,951,869**

The fair value of the loans & receivables and financial liabilities at amortised cost approximates the carrying amount; this is due to their short term nature in the period.

Fair value hierarchy

At 30 June 2018	Level 1	Level 2	Level 3	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Assets and liabilities not measured at fair value for which fair values have been disclosed				
Held-to-maturity investments	4,118,694	-	-	**4,118,694**

At 30 June 2017	Level 1	Level 2	Level 3	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Assets and liabilities not measured at fair value for which fair values have been disclosed				
Held-to-maturity investments	4,951,869	-	-	**4,951,869**

24. FAIR VALUE OF MEASUREMENT (CONTINUED)

The fair values of the government securities, which are classified as held to maturity, are based on their market prices on the reporting date.

25. PRIOR YEAR ADJUSTMENTS

In the prior periods, the Authority recognized the appropriation of reserves from the General Fund to the Investor Compensation Fund as income to the Investor Compensation Fund; In addition, the Investor Compensation Fund was being recognised as a liability as opposed to a balance in the reserves. However, the Fund did not meet the criteria of being recognized as a liability but rather represents a component of equity that is separately tracked and managed for the purpose of granting compensation to investors who suffer pecuniary losses resulting from the failure of a licensed broker or dealer to meet his contractual obligations. Further, the annual transfer from the General Fund to the Investor Compensation Fund is an appropriation in reserves as opposed to an income to the Investor Compensation Fund.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

The 2016 balances have been restated as follows:

	Note	As previously stated	Adjustment	As Restated
		Ushs'000	Ushs'000	Ushs'000
Statement of financial position.				
Investor compensation Fund Liabilities	(a)	1,505,424	(1,505,424)	-
Investor compensation Fund (equity reserve)	(a)	-	1,505,424	1,505,424

The 2017 balances have been restated as follows:

	Note	As previously stated	Adjustment	As Restated
		Ushs'000	Ushs'000	Ushs'000
Statement of comprehensive Income:				
Other Income	(b)	25,084	(20,084)	5,000
Statement of financial position.				
Investor compensation Fund Liabilities	(a)	1,838,728	(1,838,728)	-
Investor compensation Fund (equity reserve)	(a)	-	1,838,728	1,838,728
Statement of cash flows.				
Surplus before tax	(b)	1,232,735	(20,084)	1,212,651
Transfer to the Investor Compensation Fund	(b)	(20,084)	20,084	-

25. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(a) The above prior period adjustment relates to the reclassification of the investor compensation fund from a liability to a balance in the reserve. This is because the Fund did not meet the criteria of being recognized as a liability but rather the Investor Compensation Fund represents a component of equity that is separately tracked and managed for the purpose of granting compensation to investors who suffer pecuniary losses resulting from the failure of a licensed broker or dealer to meet his contractual obligations

(b) The above prior period adjustment relates to the reversal of a wrongly recognized appropriation of reserves from the General Fund to the Investor compensation Fund. This was previously recognized as income to the Investor Compensation Fund as opposed to an appropriation in reserves within equity.

26. 2016 Restated Statement of Financial Position

Below is the detailed Statement of Financial Position showing the General Fund and Investor Compensation Fund restated financial positon as at 1 July 2016.

	As at 1 July 2016	As at 1 July 2016* Restated Investor Compensation Fund	As at 1 July 2016* Restated Total
	General Fund Ushs'000	Ushs'000	Ushs'000
ASSETS			
Non-current assets			
Property and equipment	82,122	-	82,122
	82,122	**-**	**82,122**
Current assets			
Held-to-maturity investments	1,702,860	1,450,584	3,153,444
Accounts receivable	136,513	38,358	174,871
Fixed deposit balances	902,036	-	902,036
Broker/dealer bank account	2,657	-	2,657
Investor Compensation Fund bank account	-	37,913	37,913
Cash and bank balances	765,944	-	765,944
	3,510,010	**1,526,855**	**5,036,865**
Total assets	**3,592,132**	**1,526,855**	**5,118,987**
RESERVES AND LIABILITIES			
Reserves			
General fund	3,277,892	-	3,277,892
Investor Compensation Fund*	-	1,505,424	1,505,424
	3,277,892	**1,505,424**	**4,783,316**
Non-current liabilities			
Capital grant	82,125	-	82,125
	82,125	**-**	**82,125**
Current liabilities			
Broker/dealer deposits	95,000	-	95,000
Payables & accrued expenses	137,115	21,431	158,546
	232,115	**21,431**	**253,546**
Total reserves and liabilities	**3,592,132**	**1,526,855**	**5,118,987**

26. 2016 Restated Statement of Financial Position (continued)

* The above balance was reclassified from non-current liabilities to reserves as a component of equity.

27. EVENTS AFTER THE REPORTING PERIOD

There are no reportable events after the reporting date (2017: None)

28. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2018 (2017: Nil).

29. COMMITMENTS

Capital Commitments

The Authority entered into an agreement with Uganda Registration Services Bureau and Uganda Investment Authority for the construction of a one stop investment centre office building whose expected completion date is 15th July 2019. The Authority is expected to make a contribution of USD 700,000 (Ushs 2,561,727,000) to the final payment upon the completion and hand-over of the office building. (2017: None).

Rental payments

The total of future rental payments are;

Period	2018 Ushs'000	2017 Ushs'000
Not later than one year	225,709	212,161
1-2 years	225,709	212,161

The current lease contract is for the renting of the office space currently being occupied by the Authority. This is being rented by Jubilee Investment Company limited and the current contract runs till 30 September 2019. The Authority has the option to renew the contract as is stipulated in the terms of the contract. There are no restrictions imposed by the lease arrangement and it currently has no purchase options

There are no future minimum sublease payments and contingent rental terms

LIST OF LICENSED PERSONS AS AT 30 DECEMBER 2018

LICENSED FIRM	LICENSE HELD	ADDRESS	CONTACT PERSON
African Alliance Uganda Limited	Stock Broker, Investment Adviser	1st Floor Workers House 1 Pilkington Road Kampala, Uganda **t:** 0417-777700/1 | **f:** 0414-235575 **e:** info@africanalliance.co.ug	Mr. Kenneth Kitariko
ALTX East Africa Ltd	Stock Exchange	Plot 1 Mackenzie Close, Kololo P. O. Box 40138 Kampala, Uganda **t:** 0790-536781/ 0312-209600 **e:** info@altxafrica.com	Mr. Joseph Kitamirike
ALTX Clearing Ltd	Securities Central Depository	Plot 1 Mackenzie Close, Kololo P. O. Box 40138 Kampala, Uganda **t:** 0790-536781/ 0312-209600 **e:** info@altxafrica.com	Mr. Joseph Kitamirike
Baraka Capital (U) Limited	Investment Adviser	2nd Floor Itiri House Plot 2157 Port Bell Road Luzira P. O. Box 36307 Kampala, Uganda **t:** 0392-176927 **e:** info@barakacapital.com	Ms. Carolyn Papaok
Baroda Capital Markets Limited	Stock Broker, Investment Adviser	Plot 18 Kampala Road P. O. Box 7197, Kampala, Uganda **t:** 0414-233680/3 | **f:** 0414-258263 **e:** barodacapitalmarket@gmail.com	Mr. Ritesh Jaiswal
BIK Capital Limited	Stock Broker, Investment Adviser Stock Broker, Investment Adviser	1st Floor, Media Plaza, Plot 78, Kira Road **t:** 0774997424 **e:** jofbakka@gmail.com	Mr. Joseph Bakkabulindi.
Blue Solitare Investments Limited	Investment Adviser	203-Kirabo Complex. Bukoto-Kisasi Road P.O Box 1534, Kampala, Uganda **t:** +256-752711660 **e:** jatin@blue-solitaire.com	Mr. Jatin B. K. Ghughu
Britam Asset Managers Company (Uganda) Limited	Fund Manager, Collective Investment Scheme Manager, Equity Fund Unit Trust Scheme, Money Market Unit Trust Scheme, Umbrella Unit Trust Scheme	Course View Towers, 1st Floor Yusuf Lule Road P.O Box 36583 Kampala, Uganda **t:** 0417-702600/ 0312-305600 **e:** info@britam.com	Mr. Ronald Kasolo
Citadel Capital (Uganda) Limited	Fund Manager	2nd Floor Regency Plaza, P.O Box 22934,Kampala - Uganda **t:** 0793-373737 **e:** info@citadelcapital.co.ug	Mr. Albert Richards Otete
Crested Capital	Stock Broker, Dealer, Investment Adviser	1st Floor Impala House Plot 13/15 Kimathi Avenue P. O. Box 31736, Kampala, Uganda **t:** 0414-230900 | **f:** 0414-230612 **e:** info@crestedcapital.com	Mr. Robert Baldwin

Deloitte Uganda Limited	Investment Adviser	3rd Floor Rwenzori House 1 Lumumba Avenue P. O. Box 10314, Kampala, Uganda **t:** 0414-343850, 0752-740300 **e:** admin@deloitte.co.ug	Mr. Nobert Kagoro
Dyer and Blair Uganda Limited	Stock Broker, Investment Adviser Stock Broker, Investment Adviser	Ground Floor, Rwenzori House Plot 1 Lumumba Avenue P. O. Box 36620, Kampala, Uganda **t:** 0414-233050, 0312-265469 **e:** sharesuganda@dyerandblair.com	Ms. Esther Kakiza
Equity Stock Brokers Limited	Stock Broker, Investment Adviser	Plot 6/6A Orient Plaza P. O. Box 3972, Kampala, Uganda **t:** 0414-236012/3/4/5 | **f:** 0414-348039 **e:** equity@orient-bank.com	Ms. Gloria Kangabe
GenAfrica Asset Managers Limited	Fund Manager	6th Floor, Aha Towers Plot 7, Lourdel Road, Nakasero P. O. Box 75200, Kampala - Uganda **t:** 0414-252343/ 50 **f:** 0414-253344 **e:** uganda@genafrica.com	Mr. George Mulindwa
ICEA Asset Management (U) Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	2nd Floor Rwenzori Courts P. O. Box 33953, Kampala - Uganda **t:** 0414-343183, 0414-232337 **e:** info@icea.co.ug	Mr. Robert Katabaire
I&M Burbidge Capital Limited	Investment Adviser	5th Floor, Rwenzori Towers Nakasero Road P.O Box 3331, Kampala - Uganda **t:** 0794-476967/ 771- 898043	Mr. Edward Burbidge
KCB Bank Uganda Limited	Trustee - Collective Investment Schemes	7th Floor Commercial Plaza Plot 7, Kampala Road P. O. Box 7399, Kampala - Uganda **t:** 0417-118227 | **f:** 0414-345751 **e:** kcbugandaho@kcb.co.ug	Ms. Judy Rwamba
PCP Uganda Limited	Fund Manager	Plot M697, Equata Building 2nd Floor UMA Show Grounds, Lugogo P. O. Box 15373, Kampala - Uganda **t:** 0312-264983/4 | **f:** 0312-264985 **e:** info@pearlcapital.net	Mr. Edward Isingoma Matsiko
PKF Consulting Limited	Investment Adviser	Plot 1B Kira Road Kalamu House P. O. Box 24544, Kampala - Uganda **t:** 0414-341523/5 **f:** 0414-251370, 0414-341371 **e:** pkfkam@ug.pkfea.com	Mr. Charles Ogutu
Price Water house Coopers Limited	Investment Adviser	10th Floor Communications House 1 Colville Street Kampala **t:** 0414-236018/ 233743 | **f:** 0414-239153 **e:** general@ug.pwc.com	Mr. Francis Kamulegeya
Regency Wealth Management Uganda Limited	Investment Adviser	5th Floor, Shumuk House, Office SH9 Kampala, Uganda **t:** 0312-314316/ 0791-224611 **e:** matthew@regency-wealth.com	Mr. Matthew Turner

Rock Financial Services Limited	Stock Broker, Investment Adviser	2nd Floor, Nakawa House Plot 7, Portbell Road P.O. Box 28810, Kampala - Uganda **t:** 0393-262799 **e:** edrukap@gmail.com	Mr. Edward Ruyonga
Sanlam Investments East Africa Limited	Fund Manager	1 Pilkington Road, 7th Floor, Workers House P. O Box 9831, Kampala - Uganda **t:** 0414-340707/8/ 0312-265618 **f:** 0414-340750 **e:** Mubbale.Mugalya@sanlameastafrica.com	Mr. Mubbale Kabandamawa Mugalya
SBG Securities Limited	Stock Broker, Investment Adviser	4th Floor, Crested Towers (Short) 17 Hannington Road P. O. BOX 7131, Kampala - Uganda **t:** 0312-224600/ 985 | 0312-224985 **e:** chiefexec-sbgs@stanbic.com	Mr. Bethuel Karanja
Standard Chartered Bank Uganda Limited	Trustee - Collective Investment Schemes, Investment Adviser	Plot 5, Speke Road P. O. Box 7111, Kampala - Uganda **t:** 0312-294459, 0414-340077 **f:** 0414-231473 **e:** ug.service@sc.com	Ms. Cecilia Namuddu
STANLIB Uganda Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	Building 9 Kitante, Suite 6B Plot 9, Yusuf Lule Road Building 9 Kitante, Suite 6B P. O. Box 7131, Kampala - Uganda **t:** 0312-335007/6 | **f:** 0414-254697 **e:** investorinfo2@stanbic.com	Mr. Nkoregamba Mwebesa
UAP Old Mutual Financial Services Uganda Limited	Stock Broker, Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	6th Floor, UAP Nakawa Business Park (1st Tower) Plot 3-5 New Port Bell Road P. O. Box 1610 Kampala - Uganda **t:** 0414-332824 | **f:** 0414-346449 **e:** clientrelationsufs@uap-group.com	Mr. Simon Mwebaze
Uganda Securities Exchange	Stock Exchange, Securities Central Depository	4th Floor, Block A, North Wing Plot 3-5, UAP Nakawa Business Park P. O. Box 23552, Kampala - Uganda **t:** 0312-370815/ 7/ 8 **e:** info@use.or.ug	Mr. Paul Bwiso
Xeno Investment Management Limited	Fund Manager, Unit Trust Manager/ Collective Investment Scheme Manager	6th Floor Workers House Plot 1, Pilkington Road P.O. Box 2237, Kampala - Uganda **t:** 0392-177488 **e:** uganda@myxeno.com	Mr. Aeko Ongodia



Capital Markets Authority

Protecting Your Investments

Capital Markets Authority
8 Floor, Jubilee Insurance Centre
14, Parliament Avenue
P. O. Box 24565, Kampala, Uganda
Tel: +256 - 414 - 342788/91
+256 - 312 - 264950/1
Fax: +256 - 414 - 342803
Email: info@cmauganda.co.ug
Website: www.cmauganda.co.ug

