

Vote:313

Capital Markets Authority

QUARTER 2: Highlights of Vote Performance

V1: Summary of Issues in Budget Execution

Table V1.1: Overview of Vote Expenditures (US\$ Billion)

	Approved Budget	Released by End Q 2	Spent by End Q2	% Budget Released	% Budget Spent	% Releases Spent
Recurrent Wage	3.475	1.651	1.229	47.5%	35.4%	74.5%
Non Wage	3.419	1.017	0.448	29.7%	13.1%	44.0%
Dev't. GoU	0.000	0.000	0.000	0.0%	0.0%	0.0%
Ext. Fin.	0.000	0.000	0.000	0.0%	0.0%	0.0%
GoU Total	6.894	2.668	1.677	38.7%	24.3%	62.9%
Total GoU+Ext Fin (MTEF)	6.894	2.668	1.677	38.7%	24.3%	62.9%
Arrears	0.000	0.000	0.000	0.0%	0.0%	0.0%
Total Budget	6.894	2.668	1.677	38.7%	24.3%	62.9%
<i>A.I.A Total</i>	0.000	0.000	0.000	0.0%	0.0%	0.0%
Grand Total	6.894	2.668	1.677	38.7%	24.3%	62.9%
Total Vote Budget Excluding Arrears	6.894	2.668	1.677	38.7%	24.3%	62.9%

Table V1.2: Releases and Expenditure by Programme and Sub-SubProgramme*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% Budget Released	% Budget Spent	%Releases Spent
Programme: Private Sector Development	6.89	2.67	1.68	38.7%	24.3%	62.9%
Sub-SubProgramme: 49 Policy, Planning and Support Services	4.36	1.90	1.15	43.4%	26.3%	60.5%
Sub-SubProgramme: 83 Investor Protection, Supervision, Research and Market Development	2.53	0.77	0.53	30.5%	20.9%	68.7%
Total for Vote	6.89	2.67	1.68	38.7%	24.3%	62.9%

Matters to note in budget execution

The COVID-19 pandemic and subsequent lockdown posed a significant challenge to the Authority's operations during Q2. For example, the Authority has continued to license applications and engage with applicants to ensure completeness of submissions, which process has been constrained by the restrictions placed on movement and quotas of staff allowed to be in offices. Renewals of licenses was undertaken and the license renewal process was dogged by the same speed problem faced by the license application process.

Table V1.3: High Unspent Balances and Over-Expenditure in the Domestic Budget (Ushs Bn)

<i>(i) Major unspent balances</i>
Departments , Projects

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Sub-SubProgramme 49 Policy, Planning and Support Services		
0.371 Bn Shs	Department/Project :01 Finance and Administration	
Reason: Delayed recruitment of staff		
Items		
75,634,784.000 UShs	221009	Welfare and Entertainment
Reason: Delayed recruitment of staff		
59,690,011.000 UShs	212101	Social Security Contributions
Reason: Delayed recruitment of staff		
56,605,340.000 UShs	213004	Gratuity Expenses
Reason: Delayed recruitment of staff		
47,448,821.000 UShs	227004	Fuel, Lubricants and Oils
Reason: Delayed recruitment of staff		
30,009,999.000 UShs	211103	Allowances (Inc. Casuals, Temporary)
Reason: Some Board members were not yet registered on IFMS hence the delay in payment of their Board allowances. Furthermore, some Board members were unable to attend some meetings during the Quarter. Payments to be effected in early Q3		
Sub-SubProgramme 83 Investor Protection, Supervision, Research and Market Development		
0.199 Bn Shs	Department/Project :05 Market Supervision	
Reason:		
Items		
89,000,000.000 UShs	221001	Advertising and Public Relations
Reason: Payments to be effected in Q3 due to delays associated with finalization of the contract between CMA and the media buyer responsible for purchase of radio and TV airtime		
45,300,000.000 UShs	225001	Consultancy Services- Short term
Reason: The investor resource program was affected by the COVID 19 restrictions in place which affected their operations. The Authority intends to recruit additional resource persons to re-energize the programs		
36,199,241.000 UShs	212101	Social Security Contributions
Reason: Delayed recruitment of staff		
24,554,797.000 UShs	213004	Gratuity Expenses
Reason: Delayed recruitment of staff		
3,488,000.000 UShs	282101	Donations
Reason: CMA did not sponsor the FIRE awards		
(ii) Expenditures in excess of the original approved budget		

V2: Performance Highlights

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QUARTER 2: Highlights of Vote Performance

Table V2.1: Sub-SubProgramme Outcome and Outcome Indicators*

Sub-SubProgramme : 49 Policy, Planning and Support Services			
Responsible Officer: Miriam Musaali			
Sub-SubProgramme Outcome: Regulatory review, development and implementation of regulatory framework			
Sub-SubProgramme Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
Compliance by all licensees with the new regulatory framework	Text	100	80%
Sub-SubProgramme : 83 Investor Protection, Supervision, Research and Market Development			
Responsible Officer: Rosette Kania			
Sub-SubProgramme Outcome: Deepening and widening the capital markets			
Sub-SubProgramme Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
Increase in the ratio of domestic market capitalization to GDP;	Percentage	2.5%	6.5%
Sub-SubProgramme Outcome: Increased financing through capital markets			
Sub-SubProgramme Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
Increase in Domestic market capitalization due to new listings-UGX, Billion)	Text	One new product/listing on the stock exchange	One new listing on the stock exchange - MTN
Sub-SubProgramme Outcome: Increased level of savings in Uganda			
Sub-SubProgramme Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
20% annual increase in CIS Assets under Management (in UGX trillion) Baseline is UGX 498 billion	Text	20%	88%
Sub-SubProgramme Outcome: Enhanced confidence in the capital markets			
Sub-SubProgramme Outcome Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
Proportion of market intermediaries complying with the set regulatory framework	Percentage	100%	100%

Table V2.2: Budget Output Indicators*

Sub-SubProgramme : 83 Investor Protection, Supervision, Research and Market Development			
Department : 05 Market Supervision			
Budget OutPut : 01 Strengthening Monitoring, Supervision and Compliance			
Budget Output Indicators	Indicator Measure	Planned 2021/22	Actuals By END Q2
Proportion of licensed market intermediaries inspected;	Percentage	80%	70%

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Proportion of inspection findings implemented	Percentage	70%	80%
Percentage of registered complaints successfully handled	Percentage	80%	75%
Proportion of market intermediaries whose financials have been analyzed by CMA	Percentage	100%	100%

Performance highlights for the Quarter

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Offer of MTN shares was opened up to the public and closed on 22nd November. Trading of the shares commenced on 6th December at the USE. The MTN listing has increased the domestic market capitalization at the USE by UGX 4.6 trillion.

Public education activities have been severely disrupted by the lockdown and limited funding available. In spite of the above, a total of 555,281 potential investors were reached out to during Q2. CMA partnered with NSSF to host monthly webinars and these centered on different topics like Intergenerational Wealth and Legacy Planning. These webinars reached out to an audience of 361,365 potential investors through Zoom, Facebook, Smart TV and Twitter.

In line with CMA's risk based approach to supervision, the Market Supervision Department completed risk assessments for the CIS and Fund managers. Accordingly, some firms were identified for inspection during the quarter; and follow up inspections of different market intermediaries were conducted. The purpose of the inspections was to assess compliance in areas where intermediaries had undertaken to effect changes in areas flagged during the inspections conducted earlier on in the year. Exit interviews have been scheduled with the licensees. Following the exit interviews, inspection reports will be prepared and shared with the intermediaries.

Licenses renewed during the quarter was an opportunity to ensure intermediaries were in compliance with their obligations under the various regulatory provisions under which they were licensed. The license renewed was Baroda Capital Markets for a Broker License.

During this quarter, new licenses were issued to bring players who had been operating without licenses within the regulatory ambit of CMA. The following players were licensed; (i) Custodian Licenses for Standard Chartered Bank. (ii) Custodian License for KCB Bank Uganda Limited. (iii) Custodian License for Stanbic Bank Uganda Limited and (iv) Custodian License for Housing Finance Bank Uganda Limited (v) USE Nominees Ltd was approved as an Authorized Registrar. The Market Supervision department is currently processing license applications as follows; (i) Agola Holdings Limited investment adviser license (ii) Osprey Capital Investments Limited Fund Manager License (ii) USE Commodities Exchange Limited application for approval as a commodities exchange.

A submission of tax proposals hinged on the discussion paper on "Taxation of Uganda's capital markets" was made to the tax policy department of the Ministry of Finance, on 9th November 2021, with a virtual engagement being held on 29th November 2021, for a discussion on the same. Key proposals included:

- Exempting PE funds registered with CMA from 30% corporate tax (as PE funds are pass-through vehicles);
- Reduction in the WHT rate on dividend payments from investee companies to PE funds from 15% to 10%, similar to that paid on listed company dividends;
- Reduction in the stamp duty rate on the transfer of shares of investee companies receiving or that have received PE financing from 1.5% to 1%; and
- Exempting PE funds registered with CMA from Capital Gains tax as a result of disposal of interest in investee companies.

Discussions were held under the Capital Markets Policy Committee which brings together CMA and the Financial Services Department of the Ministry of Finance on various dates (19th November, 23rd November and 2nd December 2021) to progress on a cabinet memo which has policy proposals aimed at developing Uganda's capital markets. Key proposals include: amendments to the CMA Act, preferential treatment by government for listed banks in handling government business and establishment of a Bond Market Association. The cabinet memo is expected to be finalized before the end of the financial year.

Litigation:

In the case of CMA vs. Tolea Securities Ltd CA 158/2020, conferencing notes were filed on 26th October 2021 and leave of court was obtained to make oral submissions. CMA awaits scheduling of the matter for hearing.

In the case of Mabirizi v. CMA HCMC 287/2021, the High Court dismissed the suit seeking to challenge the approval of MTN's IPO prospectus by CMA.

Enforcement: CMA participated in the development of a policy paper to provide interventions on mitigation of illegal activities of Ponzi schemes. Policy recommendations will be implemented by regulators in the financial sector. Proposals for amendment of the CMA Act have been made; and these include the stiffening of penalties for perpetrators of Ponzi schemes and compensation of the victims.

In order to better fulfill its mandate, CMA recruited new staff in different departments. These included Internal Audit Officer, Planning and Budgeting Officer, Legal Officer and Market Supervision Officer – Licensing.

The Authority finalized its Budget Framework Paper for FY 2022/23 and submitted it to MFPED. The Medium Term Expenditure Framework released by the Ministry indicates that the Vote's budget for FY 2022/23 has been slashed from UGX 6.89bn to UGX 6.47bn.

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V3: Details of Releases and Expenditure

Table V3.1: Releases and Expenditure by Budget Output*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	%GoU Releases Spent
Sub-SubProgramme 49 Policy, Planning and Support Services	4.36	1.90	1.15	43.4%	26.3%	60.5%
<i>Class: Outputs Provided</i>	<i>4.36</i>	<i>1.90</i>	<i>1.15</i>	<i>43.4%</i>	<i>26.3%</i>	<i>60.5%</i>
144907 Accounting and Finance	4.36	1.90	1.15	43.4%	26.3%	60.5%
Sub-SubProgramme 83 Investor Protection, Supervision, Research and Market Development	2.53	0.77	0.53	30.5%	20.9%	68.7%
<i>Class: Outputs Provided</i>	<i>2.53</i>	<i>0.77</i>	<i>0.53</i>	<i>30.5%</i>	<i>20.9%</i>	<i>68.7%</i>
148301 Strengthening Monitoring, Supervision and Compliance	2.53	0.77	0.53	30.5%	20.9%	68.7%
Total for Vote	6.89	2.67	1.68	38.7%	24.3%	62.9%

Table V3.2: 2021/22 GoU Expenditure by Item

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	%GoU Releases Spent
<i>Class: Outputs Provided</i>	<i>6.89</i>	<i>2.67</i>	<i>1.68</i>	38.7%	24.3%	62.9%
211102 Contract Staff Salaries	3.47	1.65	1.23	47.5%	35.4%	74.5%
211103 Allowances (Inc. Casuals, Temporary)	0.26	0.08	0.05	30.8%	19.4%	63.0%
212101 Social Security Contributions	0.35	0.16	0.07	47.1%	19.5%	41.4%
213001 Medical expenses (To employees)	0.11	0.00	0.00	0.0%	0.0%	0.0%
213002 Incapacity, death benefits and funeral expenses	0.02	0.00	0.00	0.0%	0.0%	0.0%
213004 Gratuity Expenses	0.55	0.28	0.20	50.0%	35.3%	70.7%
221001 Advertising and Public Relations	0.40	0.12	0.00	29.0%	0.0%	0.0%
221002 Workshops and Seminars	0.32	0.00	0.00	0.0%	0.0%	0.0%
221003 Staff Training	0.15	0.01	0.01	5.1%	3.7%	73.5%
221004 Recruitment Expenses	0.01	0.00	0.00	91.1%	0.0%	0.0%
221007 Books, Periodicals & Newspapers	0.01	0.00	0.00	6.7%	0.0%	0.0%
221008 Computer supplies and Information Technology (IT)	0.09	0.03	0.01	37.2%	8.4%	22.5%
221009 Welfare and Entertainment	0.23	0.09	0.01	38.6%	6.3%	16.5%
221010 Special Meals and Drinks	0.00	0.00	0.00	22.4%	0.0%	0.0%
221011 Printing, Stationery, Photocopying and Binding	0.06	0.03	0.01	43.0%	10.4%	24.2%
221012 Small Office Equipment	0.01	0.00	0.00	0.0%	0.0%	0.0%
221014 Bank Charges and other Bank related costs	0.00	0.00	0.00	7.1%	0.0%	0.0%
221017 Subscriptions	0.10	0.00	0.00	1.9%	0.0%	0.0%
222001 Telecommunications	0.03	0.01	0.01	36.2%	19.7%	54.3%
222002 Postage and Courier	0.00	0.00	0.00	0.0%	0.0%	0.0%

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QUARTER 2: Cumulative Outputs and Expenditure by End of Quarter

222003 Information and communications technology (ICT)	0.00	0.00	0.00	0.0%	0.0%	0.0%
223004 Guard and Security services	0.03	0.01	0.01	40.9%	31.6%	77.1%
223005 Electricity	0.02	0.01	0.00	40.5%	17.5%	43.1%
223006 Water	0.01	0.00	0.00	0.0%	0.0%	0.0%
224005 Uniforms, Beddings and Protective Gear	0.01	0.00	0.00	0.0%	0.0%	0.0%
225001 Consultancy Services- Short term	0.08	0.05	0.01	67.2%	9.9%	14.7%
226001 Insurances	0.08	0.00	0.00	0.0%	0.0%	0.0%
227001 Travel inland	0.01	0.00	0.00	0.0%	0.0%	0.0%
227002 Travel abroad	0.11	0.00	0.00	0.0%	0.0%	0.0%
227003 Carriage, Haulage, Freight and transport hire	0.00	0.00	0.00	0.0%	0.0%	0.0%
227004 Fuel, Lubricants and Oils	0.26	0.11	0.06	41.6%	23.4%	56.2%
228001 Maintenance - Civil	0.01	0.00	0.00	0.0%	0.0%	0.0%
228002 Maintenance - Vehicles	0.05	0.01	0.00	20.8%	9.1%	43.8%
228003 Maintenance – Machinery, Equipment & Furniture	0.02	0.00	0.00	0.0%	0.0%	0.0%
282101 Donations	0.01	0.01	0.01	90.0%	55.1%	61.2%
Total for Vote	6.89	2.67	1.68	38.7%	24.3%	62.9%

Table V3.3: Releases and Expenditure by Department and Project*

<i>Billion Uganda Shillings</i>	Approved Budget	Released	Spent	% GoU Budget Released	% GoU Budget Spent	%GoU Releases Spent
Sub-SubProgramme 1449 Policy, Planning and Support Services	4.36	1.90	1.15	43.4%	26.3%	60.5%
<i>Departments</i>						
01 Finance and Administration	4.36	1.90	1.15	43.4%	26.3%	60.5%
Sub-SubProgramme 1483 Investor Protection, Supervision, Research and Market Development	2.53	0.77	0.53	30.5%	20.9%	68.7%
<i>Departments</i>						
05 Market Supervision	2.53	0.77	0.53	30.5%	20.9%	68.7%
Total for Vote	6.89	2.67	1.68	38.7%	24.3%	62.9%

Table V3.4: External Financing Releases and Expenditure by Sub-SubProgramme and Project

Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter	Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	UShs Thousand
Sub-SubProgramme: 49 Policy, Planning and Support Services			
<i>Departments</i>			
Department: 01 Finance and Administration			
<i>Outputs Provided</i>			
Budget Output: 07 Accounting and Finance			

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QUARTER 2: Cumulative Outputs and Expenditure by End of Quarter

Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter	Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	US\$ Thousand
Subscriptions and Memberships	N/A	Item	Spent
Staff Welfare and Entertainment	Sundries and consumables procured; Staff lunch paid	211102 Contract Staff Salaries	729,873
Transport Hire & Staff Travel		211103 Allowances (Inc. Casuals, Temporary)	51,190
Office Repairs & Maintenance	Fuel expenses paid	212101 Social Security Contributions	67,723
Fuel - Pool Vehicles	Remote work data subscription paid, external hard drives procured, network firewall and gateway licenses procured	213004 Gratuity Expenses	178,310
Office Sundries & Consumables	Various litigation and enforcement actions undertaken by the Authority as delineated in the quarterly actual reports	221003 Staff Training	5,663
Maintenance of ICT Equipment	Board meetings and allowances paid	221008 Computer supplies and Information Technology (IT)	7,192
Litigation and Enforcement action carried out	Several regulations have been submitted by CMA to the First Parliamentary Counsel for final drafting and review.	221009 Welfare and Entertainment	14,906
Staff and Board members' allowances paid	These include: the Draft Capital Markets (Accounting and Financial Requirements) Regulations, 2021, Draft Capital Markets (Licensing and Approval) Regulations, 2021 and the Draft Capital Markets (Offer of Securities) Regulations 2021.	221011 Printing, Stationery, Photocopying and Binding	6,286
Regulations & Public Notices issued		222001 Telecommunications	6,483
Staff bereavement funds		223004 Guard and Security services	10,414
End of year staff engagement		223005 Electricity	3,881
Uganda Gazette, certificate of chamber, books and periodicals.		227004 Fuel, Lubricants and Oils	60,821
IT supplies and internet software licenses		228002 Maintenance - Vehicles	4,320
Staff lunch, office sundries and consumables and team building carried out	End of year staff engagement held		
Organizing board meetings	Magazines and subscriptions paid		
Laws and regulations printed and gazetted, Office stationery procured	IT licenses paid		
Small office and kitchen items procured	Staff lunch provided		
Bank charges paid	Board meetings held		
Subscriptions and Memberships paid	Bank charges paid		
Telephone and communication expenses paid	Subscriptions and Memberships paid		
Courier and postage expenses paid	Telephone and communication expenses paid		
Security services paid	Courier and postage expenses paid		
Monthly electricity and water bills paid	Security services paid		
consultants for Litigation and enforcement hired	Monthly electricity and water bills paid		
Insurance for staff and equipment issued	Various litigation and enforcement actions undertaken as delineated in the Quarterly actual reports		
Staff capacity building			
Office building maintenance and Garbage collection			
Fuel and lubricants paid	Fuel and lubricants paid		
Motor vehicle servicing and tyre procured	Motor vehicle servicing and tyre procured		
ICT equipment maintained	ICT equipment maintained		

Reasons for Variation in performance

Total 1,147,062
Wage Recurrent 729,873

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QUARTER 2: Cumulative Outputs and Expenditure by End of Quarter

Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter	Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	US\$ Thousand
		Non Wage Recurrent	417,189
		Arrears	0
		AIA	0
		Total For Department	1,147,062
		Wage Recurrent	729,873
		Non Wage Recurrent	417,189
		Arrears	0
		AIA	0

Sub-SubProgramme: 83 Investor Protection, Supervision, Research and Market Development

Departments

Department: 05 Market Supervision

Outputs Provided

Budget Output: 01 Strengthening Monitoring, Supervision and Compliance

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QUARTER 2: Cumulative Outputs and Expenditure by End of Quarter

Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter	Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	US\$ Thousand
Publication of notices and licenses	One public notice published	Item	Spent
Published investor education material		211102 Contract Staff Salaries	499,330
CMA press banners acquired		213004 Gratuity Expenses	17,211
TV programs on capital markets subjects	Two TV programs aired	225001 Consultancy Services- Short term	7,800
	Several programs on capital markets aired on different radio stations	282101 Donations	5,512
Radio programs on capital markets subjects	Several webinars targeting potential investors and issuers held		
Televised webinar targeting investors and other issuers	Print media articles discussing capital markets related subjects published in different media outlets		
Branded merchandise	Stakeholder engagements held with a view to lobbying for policies that are favorable for the development of Uganda's capital markets		
News paper advertisements published			
Stakeholder engagement and implementation of the masterplan activities			
Schools/university outreach program	CMA held a forum with CIS manager on 29th September 2021. The objectives of such fora is to provide a platform for the sharing of best practice as well as exchange of ideas aimed at increasing the uptake of CIS products in Uganda. The forum attracted participants from the 4 of the 5 licensed CIS Managers		
Master plan implementation	The issuer resource person program has reached out to potential issuers of securities. Fundraising mandates expected to be signed in the near future		
CFA Forum involving market intermediaries	A total of 555,281 potential investors have so far been reached out to by CMA's targeted public outreach programs		
Forums for market participants			
Issuer outreach initiatives (Issuer resource person program)			
Reach out to 1,500 potential investors			
Printed Annual Report			
Camera for photography			
Staff Corporate shirts			
Electronic Surveillance System	Several licensed persons have been inspected as explained further in the Quarterly actual reports		
Special inspections of licensed persons			
Routine inspections of licensed persons			
Participate in IOSCO Meetings& other international fora to benchmark and adopt best practice			
Sponsor the ICPAU FIRE awards			

Reasons for Variation in performance

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QUARTER 2: Cumulative Outputs and Expenditure by End of Quarter

Annual Planned Outputs	Cumulative Outputs Achieved by End of Quarter	Cumulative Expenditures made by the End of the Quarter to Deliver Cumulative Outputs	<i>UShs Thousand</i>
		Total	529,853
		Wage Recurrent	499,330
		Non Wage Recurrent	30,523
		Arrears	0
		<i>AIA</i>	0
		Total For Department	529,853
		Wage Recurrent	499,330
		Non Wage Recurrent	30,523
		Arrears	0
		<i>AIA</i>	0
		GRAND TOTAL	1,676,915
		Wage Recurrent	1,229,203
		Non Wage Recurrent	447,712
		GoU Development	0
		External Financing	0
		Arrears	0
		<i>AIA</i>	0

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QUARTER 2: Outputs and Expenditure in Quarter

Outputs Planned in Quarter	Actual Outputs Achieved in Quarter	Expenditures incurred in the Quarter to deliver outputs	US\$ Thousand
Sub-SubProgramme: 49 Policy, Planning and Support Services			
<i>Departments</i>			
Department: 01 Finance and Administration			
<i>Outputs Provided</i>			
Budget Output: 07 Accounting and Finance			
EASRA Subscription paid Christmas Vouchers paid, Office Sundries & Consumables procured and Staff team building carried out Cab / transport hired for official movement N/A Fuel for Offices motor vehicles paidN/A ICT equipment repaired or replaced Investigation and prosecution of cases Board sitting/retainer and contracts & evaluation committee Allowances	N/A Sundries and consumables procured None N/A Fuel expenses paid Remote work data subscription paid, external hard drives procured, network firewall and gateway licenses procured • During Q1, investigations were concluded for Kontract Capital Ltd and the file was sanctioned by the DPP. However, the suspects skipped Police bond and are currently on the run. The CID is still tracing the suspects and sureties in order to proceed with prosecution of the matter. The Kontract Capital file was found missing from the Buganda Road court registry. We are working closely with the CID to trace the file. We are also awaiting the extradition of Pascal Ojijo, the suspect under this file who is currently in Thailand, to commence prosecution. • PACS Capital file is under CID management; more complaints are being compiled. • CID is recording statements and tracing suspects for complaints against Nile One Capital Ltd, One Life Investments Ltd, Pesa Base Ltd, Pesa Holdings Ltd, Premium Clusters and Pio Crypto Centre Investments Ltd. The suspects will be charged upon completion of investigations. Unfortunately, mobility of some complainants has been constrained by COVID-19 induced restrictions.	Item 211102 Contract Staff Salaries 211103 Allowances (Inc. Casuals, Temporary) 212101 Social Security Contributions 213004 Gratuity Expenses 221003 Staff Training 221008 Computer supplies and Information Technology (IT) 221009 Welfare and Entertainment 221011 Printing, Stationery, Photocopying and Binding 222001 Telecommunications 223004 Guard and Security services 223005 Electricity 227004 Fuel, Lubricants and Oils	Spent 387,971 51,190 22,630 178,310 5,663 7,192 13,421 6,286 2,456 10,414 3,881 39,962
Board of Survey and Other Allowances for Support provided to CMA Regulations & Public Notices issued Burial expenses paid Staff meeting/retreat held Purchase of Uganda Gazette, News Papers & Magazines , Purchase of books, magazines and other subscriptions IT supplies and Internet software licenses paid Staff lunch and office sundries / consumables procured.			
Team building Quarter Board meetings held Laws and regulations printed and gazetted N/A Bank charges paid N/A Telephone and communication bills paid Courier and postage services paid Security services paid Office Power and water bills paid Litigation and enforcement action taken N/A Staff capacity event carried out Garbage collection bills paid Motor Vehicle and Generator fuel paid Motor Vehicle servicing and repair invoices paid N/A			
Litigation:			
<ul style="list-style-type: none"> • CMA vs. Tolea Securities Ltd CA 158/2020. Conferencing notes were filed on 26th October 2021 and leave of court was obtained to make oral submissions. We await scheduling of the matter for hearing. • Mabirizi v. CMA HCMC 287/2021. The High Court dismissed the suit seeking to challenge the approval of MTN's IPO prospectus by CMA. 			

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Capital Markets Authority

QUARTER 2: Outputs and Expenditure in Quarter

Legal and Regulatory Affairs Committee of the Board held meetings on 25th October 2021 and 19th November 2021.

Full Board meeting held on 16th December 2021.

• During Q1, the Board considered and approved the Draft Capital Markets (Accounting and Financial Requirements) Regulations, 2021, Draft Capital Markets (Licensing and Approval) Regulations, 2021 and the Draft Capital Markets (Offer of Securities) Regulations 2021. These have been submitted to the First Parliamentary Counsel for final drafting and review. The scheduled feedback meeting with the team from the First Parliamentary Counsel was interrupted by the terrorist attacks on 16th November 2021. Meeting was rescheduled for 25th Jan 2022

Preliminary research and benchmarking for the review of the CIS legal framework has been undertaken

None paid
End of year staff engagement held
Magazines and subscriptions paid

Staff lunch provided
Board meetings held

None

N/A

Bank charges paid

N/A

Telephone bills paid

None

Security services paid

Office Power bills paid

Various litigation and enforcement actions undertaken

None

N/A

N/A

Fuel paid

Motor Vehicle servicing and repair invoices paid

ICT maintenance paid

Reasons for Variation in performance

Total	729,377
Wage Recurrent	387,971

Vote:313

Capital Markets Authority

QUARTER 2: Outputs and Expenditure in Quarter

Outputs Planned in Quarter	Actual Outputs Achieved in Quarter	Expenditures incurred in the Quarter to deliver outputs	US\$ Thousand
		Non Wage Recurrent	341,406
		AIA	0
		Total For Department	729,377
		Wage Recurrent	387,971
		Non Wage Recurrent	341,406
		AIA	0

Sub-SubProgramme: 83 Investor Protection, Supervision, Research and Market Development

Departments

Department: 05 Market Supervision

Outputs Provided

Budget Output: 01 Strengthening Monitoring, Supervision and Compliance

	Item	Spent
One notice to protect investors issued	None	
Publication of brochures, pamphlets to increase appreciation of capital markets among savers (10,000 units).Four (4) press banners acquired to enhance CMA's image in the eyes of stakeholders and create brand awareness.	None	
One (1) Tv program broadcast to increase appreciation of capital markets among savers. Three (3) radio programs broadcast to increase appreciation of capital markets among savers.	N/A	
One (1) webinar undertaken to increase appreciation of capital markets among savers and issuers.	CMA's CEO had an interview on the NTV Money Markets and Business Show on 15th November 2021.	225001 Consultancy Services- Short term
Branded merchandise to increase brand awareness for CMA in at least 4 categories (caps, calendars, pens and tee shirts).	Several webinars on different topics were held in November and December 2021	282101 Donations
One (1) Newspaper advertisement published to create brand awareness for CMA	The CEO of CMA participated in the Uganda Diaspora Homecoming Virtual Business Expo held on Wednesday, 29th December 2021. He articulated the benefits of investing in the capital markets and stocks to a wide audience.	7,800
Steering committee meeting for the master plan to enhance implementation of the master plan undertaken.	CMA conducted an IPO Education series in conjunction with the CFA Society East Africa. The discussion topics included:	5,512
Six (6) University and schools outreach program undertaken	1. Public Ask you can; Q & A session moderated by CFA Kenneth Legesi, CEO Ortus Africa.	
One technical committee of the master plan held to accelerate the implementation of activities under the master plan.	2. Engagement with transaction advisor moderated by CFA John Kamara, and CFA David Ivan Wangolo.	
40 individuals trained on capital markets by the CFA Society of East Africa; At least 1 training event held	3. Fireside chat with MTN Uganda CEO and CFO moderated by CFA Aeko Ongodia, CFA George Jato Otim, and CFA Miriam Nansubuga.	
One forum organized to share best practice in market development	4. Buy or not to buy moderated by CFA Walter Tukahiirwa.	
One fundraising mandate signed and increased appreciation of non-bank financing by business owners	A total of 12,189 potential investors were reached out to from the above series via Facebook (81,398), Twitter (1,959), and LinkedIn (14,391).	
Outreach to 1,500 investors during the different events held in the capital markets week	A total of 13,703 potential investors were reached out to from the above outreaches via Zoom (385), Twitter (12,189), LinkedIn (129), Smart TV (1,000).	
500 designed and printed copies of the CMA Annual Report		
One camera for photography		
One N/AAcquisition of subscription to a surveillance system		
N/AN/AParticipate		

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Capital Markets Authority

QUARTER 2: Outputs and Expenditure in Quarter

in two meetings under IOSCO or other international meetings for exposure to international best practice in market development and regulation, contributing to more innovation among CMA staff; Regulatory best practice will draw foreign inflows into Uganda's capital markets. Provide sponsorship for FIRE awards to encourage best practice in financial reporting amongst Ugandan businesses.

N/A

- CMA's Public Education Officer wrote an article in the CEO Magazine East Africa - Uganda's Capital Markets are roaring ahead despite Covid-19 – that reached out to 82,000 potential investors
- CMA's Public Education Officer wrote an article in Business Times Uganda - Post-Covid-19: The kind of businesses to consider – that reached out to 142 potential investors

paper on “Taxation of Uganda’s capital markets” was made to the tax policy department of the Ministry of Finance, Planning and economic development on 9th November 2021, with a virtual engagement being held on 29th November 2021 for a discussion on the same.

- Discussions under the Capital Markets Policy Committee which brings together CMA and the Financial Services Department of the Ministry of Finance were held on various dates (19th November, 23rd November and 2nd December 2021) to progress on a cabinet memo which has policy proposals aimed at developing Uganda’s capital markets. Key proposals include: amendments to the CMA Act, preferential treatment by government for listed banks in handling government business and establishment of a Bond Market Association. The cabinet memo is expected to be finalized before the end of the financial year.

- CMA submitted information to the Multi-Institutional Task Force on Ponzi and Pyramid Schemes for the development of strategies to curb Ponzi schemes in the capital markets industry

- Presentations on the CMA legal framework and identification and prevention of capital markets crimes were made to stakeholders during the capital markets week held from 4th to 8th October 2021

None

None

None

None

- A CMA Issuer Resource Person made a Board presentation to the Board of Sona Laparoscopic Medical Center on 2nd December, 2021. The medical center specializes in provision of minimally invasive surgery. The business entity is seeking UGX 1.2 billion in market based

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Capital Markets Authority

QUARTER 2: Outputs and Expenditure in Quarter

financing for expansion. Further discussions are expected to be held for the signing of a fundraising mandate.

- As part of the World Investor week, held under the theme: “Sustainable Finance and Fraud Prevention”, CMA held discussions on the following topics:

1. Environmental, social and governance (ESG) investing by CFA Alan Lwetabe, Manager Deposits at the Deposit Protection Fund (DPF).
2. Investing through Collective Investment Schemes by CFA Simon Mwebaze, CEO UAP Old Mutual financial services
3. Understanding Scams and how to avoid being in one, what do to if you are in one by CPA Denis Kizito, CMA manager, internet audit.
4. Working with an investment professional by Salima Nakiboneka, Manager Investments, SBG securities
5. Charting an investment journey by CFA Susan Khainza, CEO Kayan consultancy.

A total of 13,703 potential investors were reached out to from the above outreaches via Zoom (385), Twitter (12,189), LinkedIn (129), Smart TV (1,000).

None

N/A

None

N/A

None

During the quarter under review, follow up inspections of ALTX East Africa Limited and ALTX Clearing Limited were conducted. The purpose of the inspections was to assess compliance in areas where intermediaries had undertaken to effect changes in areas flagged during the inspections conducted earlier on in the year. Exit interviews have been scheduled with the licensees. Following the exit interviews, inspection reports will be prepared and shared with the intermediaries.

Under the CIS regime, following the letter written to XENO on continued breaches, XENO was invited for a meeting to provide an update on the issues raised. XENO reported progress on among others; new hires to bolster the compliance function; concluding the audit and progress on ensuring that the audit for the next period is concluded on time and repaying the funds that had been spent on

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Capital Markets Authority

QUARTER 2: Outputs and Expenditure in Quarter

directors' travel in respect of pursuing new business in Nairobi. UGX 103m had already been paid back by the time of the meeting with the commitment to pay the remaining UGX 100m before the end of this quarter.

A letter has also been written to ICEA

N/A

Not held

Reasons for Variation in performance

	Total	284,098
	Wage Recurrent	270,786
	Non Wage Recurrent	13,312
	AIA	0
	Total For Department	284,098
	Wage Recurrent	270,786
	Non Wage Recurrent	13,312
	AIA	0
	GRAND TOTAL	1,013,474
	Wage Recurrent	658,757
	Non Wage Recurrent	354,718
	GoU Development	0
	External Financing	0
	AIA	0

Vote:313

Capital Markets Authority

QUARTER 3: Revised Workplan

<i>US\$ Thousands</i>	Planned Outputs for the Quarter	Estimated Funds Available in Quarter (from balance brought forward and actual/expected releases)
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Sub-SubProgramme: 49 Policy, Planning and Support Services

Departments

Department: 01 Finance and Administration

Outputs Provided

Budget Output: 07 Accounting and Finance

	Item	Balance b/f	New Funds	Total
IOSCO Subscription paid				
Staff Lunch paid	211102 Contract Staff Salaries	378,001	0	378,001
Office Sundries & Consumables procured	211103 Allowances (Inc. Casuals, Temporary)	30,010	0	30,010
	212101 Social Security Contributions	59,690	0	59,690
Cab / transport hired for official movement	213004 Gratuity Expenses	56,605	0	56,605
Office Repairs carried out	221001 Advertising and Public Relations	27,000	0	27,000
	221003 Staff Training	2,037	0	2,037
Fuel for Offices motor vehicles paid	221004 Recruitment Expenses	4,556	0	4,556
Kitchen and Toilet items items procured	221007 Books, Periodicals & Newspapers	990	0	990
ICT equipment repaired or replaced	221008 Computer supplies and Information Technology (IT)	24,708	0	24,708
Investigation and prosecution of cases	221009 Welfare and Entertainment	75,635	0	75,635
Board sitting/retainer and contracts & evaluation committee Allowances	221010 Special Meals and Drinks	895	0	895
	221011 Printing, Stationery, Photocopying and Binding	19,714	0	19,714
Board of Survey and Other Allowances for Support provided to CMA	221014 Bank Charges and other Bank related costs	300	0	300
	221017 Subscriptions	2,000	0	2,000
Regulations & Public Notices issued	222001 Telecommunications	5,457	0	5,457
	223004 Guard and Security services	3,087	0	3,087
Burial expenses paid	223005 Electricity	5,119	0	5,119
N/A	227004 Fuel, Lubricants and Oils	47,449	0	47,449
Purchase of Uganda Gazette, News Papers & Magazines , Purchase of books, magazines and other subscription. Certificate of approval of Chambers	228002 Maintenance - Vehicles	5,540	0	5,540
	Total	748,793	0	748,793
	Wage Recurrent	378,001	0	378,001
	Non Wage Recurrent	370,792	0	370,792
IT supplies and Internet software licenses paid	AIA	0	0	0
Staff lunch and office sundries / consumables procured.				
Quarter Board meetings held				
Laws and regulations printed and gazetted				
Office and kitchen items procured				
Bank charges paid				
Subscriptions and Membership fees paid				
Telephone and communication bills paid				

Vote:313

Capital Markets Authority

QUARTER 3: Revised Workplan

Courier and postage services paid

Security services paid

Office Power and water bills paid

Litigation and enforcement action taken

N/A

N/A

Office building repaired

Garbage collection bills paid

Motor Vehicle and Generator fuel paid

Motor Vehicle servicing and repair invoices paid

ICT equipment maintenance invoices paid

Development Projects

Sub-SubProgramme: 83 Investor Protection, Supervision, Research and Market Development

Departments

Department: 05 Market Supervision

Vote:313

Capital Markets Authority

QUARTER 3: Revised Workplan

Outputs Provided

Budget Output: 01 Strengthening Monitoring, Supervision and Compliance

	Item	Balance b/f	New Funds	Total
One notice to protect investors issued	211102 Contract Staff Salaries	43,303	0	43,303
Publication of brochures, pamphlets to increase appreciation of capital markets among savers (10,000 units).	212101 Social Security Contributions	36,199	0	36,199
N/A	213004 Gratuity Expenses	24,555	0	24,555
One (1) Tv program broadcast to increase appreciation of capital markets among savers.	221001 Advertising and Public Relations	89,000	0	89,000
Three (3) radio programs broadcast to increase appreciation of capital markets among savers.	225001 Consultancy Services- Short term	45,300	0	45,300
	282101 Donations	3,488	0	3,488
	Total	241,845	0	241,845
Webinars undertaken to to increase appreciation of capital markets among savers and issuers.		Wage Recurrent	43,303	0
		Non Wage Recurrent	198,542	0
N/A		AIA	0	0
One (1) Newspaper advertisement published to create brand awareness for CMA				
One training undertaken for 20 market intermediaries boosting their capacity in corporate finance;				
Six (6) University and schools outreach program undertaken				
One technical committee of the master plan held to accelerate the implementation of activities under the master plan.				
N/A				
One forum organized to share best practice in market development				
One fundraising mandate signed and increased appreciation of non-bank financing by business owners				
N/A				
N/A				
N/A				
N/A				
N/A				
One special inspection of a licensed intermediary undertaken to cultivate a culture of compliance.				
Routine inspection of 2 market intermediaries undertaken				
Participate in two meetings under IOSCO or other international meetings for exposure to international best practice in market development and regulation, contributing to more innovation among CMA staff; Regulatory best practice will draw foreign inflows into Uganda's capital markets.				

N/A

Vote:313

Capital Markets Authority

QUARTER 3: Revised Workplan

<i>UShs Thousand</i>	Planned Outputs for the Quarter	Estimated Funds Available in Quarter (from balance brought forward and actual/expected releaes)		
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Development Projects

GRAND TOTAL	990,638	0	990,638
<i>Wage Recurrent</i>	<i>421,304</i>	<i>0</i>	<i>421,304</i>
<i>Non Wage Recurrent</i>	<i>569,334</i>	<i>0</i>	<i>569,334</i>
<i>GoU Development</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>External Financing</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>AIA</i>	<i>0</i>	<i>0</i>	<i>0</i>