

# **VOTE: 140 Capital Markets Authority**

## **I. VOTE MISSION STATEMENT**

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

## **II. STRATEGIC OBJECTIVE**

To strengthen capital market regulation and oversight

To achieve institutional excellence

To promote economic development in Uganda by creating a competitive and inclusive environment for business and Government to access market-based financing

## **III. MAJOR ACHIEVEMENTS IN 2022/23**

i - The total Assets under Management (AUM) held by CIS Fund Managers increased from UGX 1.304 trillion at the end of June 2022 to UGX 1.600 trillion as at end of December; reflecting a growth of 22.7%

ii - The total number of investor accounts held by CIS managers at the end of December 2022 stood at 45,866 compared to 34,467 investor accounts at the end of June 2022, a 33.1% increase in the ownership of CIS investor accounts. The growth in total AUM and investor accounts can be attributed to among other things, increased awareness of CIS among local investors due to outreach activities by the CIS Managers and CMA.

iii - During the period July - December 2022, CMA held 6 investor education television outreaches that reached out to an estimated 368,781 listeners/potential investors. In addition, through the three radio outreaches held, the CMA was able to reach out to 1,009,000 listeners/potential investors.

iv - The authority also held 7 webinars on Zoom in the period and held 18 physical meetings where 489 potential investors were engaged

v - Renewed licenses which included; Standard Chartered Custodian and representative; UAP Stock broker - fund manager and the respective reps; Crested Capital broker, dealer and respective reps; ICEA rep; Britam fixed income Money Market fund, Money market fund, Umbrella fund; Equity trust fund unit trust schemes and manager license; Sanlam Unit trust scheme and Umbrella fund renewal; USE SCD; KCB custodian and rep; Housing finance custodian and rep; Stanbic Custodian and rep; SBG Unit trust scheme manager and umbrella fund scheme

vi - Trained Police and officers from the ODPP to strengthen the Capital Markets enforcement matters

vii - CMA Board approved the Regulatory Impact Assessment (RIA) on the CMA Act Cap 84 on 6th October 2022

viii - CMA Disaster Recovery Guidelines published on the CMA website, Accounting and Financial Requirements Regulations 2022, Collective Investment Schemes (Declaration of Recognised Scheme Order 2022 and CMA (prescription of Securities Instrument) Regulations 2022 were published on 23rd September in the Uganda Gazette

ix - The Legal and Regulatory Affairs Committee resolved to recommend to the Board the approval of regulations and legal notice for submission to the First Parliamentary Counsel for review and drafting

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x - CMA was represented on the Ugandan delegation to the 44th taskforce of Senior Officials meeting and the 5th sub-Saharan AML CFT Public - Private sector dialogue in Livingstone, Zambia

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## IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2022/23		2023/24	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2024/25	2025/26	2026/27	2027/28	
<b>Recurrent</b>	Wage	3.475	1.436	3.475	3.648	4.013	4.415	4.856
	Non-Wage	5.095	0.919	4.770	5.008	6.010	7.212	8.582
<b>Devt.</b>	GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>		<b>8.570</b>	<b>2.355</b>	<b>8.244</b>	<b>8.657</b>	<b>10.023</b>	<b>11.626</b>	<b>13.438</b>
<b>Total GoU+Ext Fin (MTEF)</b>		<b>8.570</b>	<b>2.355</b>	<b>8.244</b>	<b>8.657</b>	<b>10.023</b>	<b>11.626</b>	<b>13.438</b>
<b>Arrears</b>		0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Budget</b>		<b>8.570</b>	<b>2.355</b>	<b>8.244</b>	<b>8.657</b>	<b>10.023</b>	<b>11.626</b>	<b>13.438</b>
<b>Total Vote Budget Excluding Arrears</b>		<b>8.570</b>	<b>2.355</b>	<b>8.244</b>	<b>8.657</b>	<b>10.023</b>	<b>11.626</b>	<b>13.438</b>

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2023/24	
	Recurrent	Development
<b>Programme:07 Private Sector Development</b>	<b>8.244</b>	<b>0.000</b>
<b>SubProgramme:01 Enabling Environment</b>	<b>8.244</b>	<b>0.000</b>
<b>Sub SubProgramme:01 Investor Protection, Supervision, Research and Market Development</b>	<b>2.420</b>	<b>0.000</b>
001 Market supervision	1.062	0.000
002 Research and Market Development	0.848	0.000
003 Communications and Public Education	0.510	0.000
<b>Sub SubProgramme:02 General Administration and Support Services</b>	<b>5.824</b>	<b>0.000</b>
001 Finance and Administration	4.527	0.000
002 Legal and Board Affairs	1.297	0.000
<b>Total for the Vote</b>	<b>8.244</b>	<b>0.000</b>

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## V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

**Table 5.1: Performance Indicators**

**Programme: 07 Private Sector Development**

**SubProgramme: 01 Enabling Environment**

**Sub SubProgramme: 01 Investor Protection, Supervision, Research and Market Development**

**Department: 001 Market supervision**

**Budget Output: 190024 Investor Protection**

**PIAP Output: A conducive environment for capital markets is in place**

**Programme Intervention: 070504 Mobilize alternative financing sources to finance private investment**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
CIS assets under management (UGX bn)	Value	2021/22	1303 billion	UGX 1,238 bn	1,600 Billion	1800 billion
Measures implemented to encourage public interest companies list	Yes/No	2021/22	0	1	0	1
Number of CIS accounts	Number	2021/22	20000	30000	48000	70000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2021/22	0	20000	0	1000
Number of companies supported by a functional deal flow facility	Number	2021/22	10	5	10	10
Number of firms that received private equity funding by local private equity funds	Number	2021/22	0	2	0	2

**Department: 002 Research and Market Development**

**Budget Output: 190025 Research and Advisory**

**PIAP Output: A conducive environment for capital markets is in place**

**Programme Intervention: 070504 Mobilize alternative financing sources to finance private investment**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
CIS assets under management (UGX bn)	Value	2021/22	1303 billion	1,238 Billion	1,600 Billion	1800 billion

**VOTE: 140 Capital Markets Authority****Sub SubProgramme: 01 Investor Protection, Supervision, Research and Market Development****Department: 002 Research and Market Development****Budget Output: 190025 Research and Advisory****PIAP Output: A conducive environment for capital markets is in place**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Measures implemented to encourage public interest companies list	Yes/No	2021/22	0	1	0	1
Number of CIS accounts	Number	2021/22	20000	30000	48000	70000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2021/22	0	20000	0	1000
Number of companies supported by a functional deal flow facility	Number	2021/22	10	5	10	10
Number of firms that received private equity funding by local private equity funds	Number	2021/22	0	2	0	2

**Department: 003 Communications and Public Education****Budget Output: 190026 Investor Education****PIAP Output: A conducive environment for capital markets is in place****Programme Intervention: 070504 Mobilize alternative financing sources to finance private investment**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
CIS assets under management (UGX bn)	Value	2020/21	1303 billion	UGX 1,238 bn	1,600 bn	1800 billion
Number of CIS accounts	Number	2020/21	20000	30000	48000	70000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2020/21	0	20000	0	1000
Number of companies supported by a functional deal flow facility	Number	2020/21	10	5	10	10
Number of firms that received private equity funding by local private equity funds	Number	2020/21	0	2	0	2

**VOTE: 140 Capital Markets Authority****Sub SubProgramme: 02 General Administration and Support Services****Department: 001 Finance and Administration****Budget Output: 000014 Administrative and Support Services****PIAP Output: A conducive environment for capital markets is in place****Programme Intervention: 070504 Mobilize alternative financing sources to finance private investment**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
CIS assets under management (UGX bn)	Value	2021/22	1303 billion	UGX 1,238 bn	1,600 bn	1800 billion
Measures implemented to encourage public interest companies list	Yes/No	2021/22	0	1	0	1
Number of CIS accounts	Number	2021/22	20000	30000	48000	70000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2021/22	0	20000	0	1000
Number of companies supported by a functional deal flow facility	Number	2021/22	10	5	10	10
Number of firms that received private equity funding by local private equity funds	Number	2021/22	0	2	0	2

**Department: 002 Legal and Board Affairs****Budget Output: 000012 Legal and Advisory Services****PIAP Output: A conducive environment for capital markets is in place****Programme Intervention: 070504 Mobilize alternative financing sources to finance private investment**

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
CIS assets under management (UGX bn)	Value	2021/22	1303 billion	UGX 1,238 bn	1,600 bn	1800 billion
Measures implemented to encourage public interest companies list	Yes/No	2021/22	0	1	0	1
Number of CIS accounts	Number	2021/22	20000	30000	48000	70000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2021/22	0	20000	0	1000

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Sub SubProgramme: 02 General Administration and Support Services

Department: 002 Legal and Board Affairs

Budget Output: 000012 Legal and Advisory Services

PIAP Output: A conducive environment for capital markets is in place

Indicator Name	Indicator Measure	Base Year	Base Level	2022/23		Performance Targets
				Target	Q2 Performance	2023/24
Number of companies supported by a functional deal flow facility	Number	2021/22	10	5	10	10
Number of firms that received private equity funding by local private equity funds	Number	2021/22	0	2	0	2



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## **VI. VOTE NARRATIVE**

### **Vote Challenges**

- i - Government cuts in budgetary allocations given to the vote necessitated foregoing some planned Q2 activities or reschedule into future quarters. For example 7 radio shows were not carried out
- ii - Predominantly manual processes in key processes for example supervision, receipt and handling of documents and records.
- iii - Lack of staff especially in the Market Supervision department.
- iv - There is a growing number of upcoming creative schemes that defraud people's savings. With a limited budget, the Authority is already having a challenge to keep up

### **Plans to improve Vote Performance**

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i - Subject to adequate budgetary allocations the authority intends to timely implement a phased recruitment of staff that are well trained and competent to enhance efficiency in executing the mandate. This takes into consideration gender and equity issues to ensure adequate numbers of male female youth and elder persons are recruited.

ii - Strengthen Governance and internal controls through Conducting regular risk assessments, Establishing clear policies and procedures, Providing continuous training and education, Monitoring and evaluating performance on a regular basis

iii - Adopt the use of technology that will streamline processes and capture efficiencies

iv - Conduct stakeholder perception surveys to ascertain if the Authority's initiatives undertaken have been effective, and learn lessons that will inform future performance

v - Develop strong partnerships with with international Organisations like World Bank, International Monetary Fund, IOSCO to obtain technical assistance and training

vi - Enhance staff capacity building

## **VII. Off Budget Support and NTR Projections**

### **Table 7.1: Off Budget Support by Project and Department**

N/A

**VOTE: 140 Capital Markets Authority****Table 7.2: NTR Collections (Uganda Shillings Billions)**

<b>Revenue Code</b>	<b>Revenue Name</b>	<b>FY2022/23</b>	<b>Projection FY2023/24</b>
114523	Business licenses	0.207	0.170
142202	Other fees e.g. street parking fees	1.727	0.157
142225	Other Licence fees	0.000	1.791
144149	Miscellaneous receipts/income	0.000	0.000
<b>Total</b>		<b>1.934</b>	<b>2.118</b>

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## VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

### i) Gender and Equity

<b>OBJECTIVE</b>	Gender and Equity mainstreaming in CMA operations
<b>Issue of Concern</b>	Marginalization of vulnerable groups nationally
<b>Planned Interventions</b>	<ol style="list-style-type: none"> <li>1. Sensitize and train staff on Gender and Equity budgeting</li> <li>2..Mainstream gender and equity in CMA's public education program</li> <li>3. Ensure that project proposals and planned activities conducted by the Authority are Gender &amp; Equity responsive</li> </ol>
<b>Budget Allocation (Billion)</b>	0.005
<b>Performance Indicators</b>	No of Gender and Equality issues mainstreamed in delivering CMA services

### ii) HIV/AIDS

<b>OBJECTIVE</b>	Reduce the spread of HIV/AIDS among CMA staff
<b>Issue of Concern</b>	HIV and AIDS is having an increasingly adverse impact on the operations of many Ministries, Departments, Agencies, Local Governments and employee households. MDAs have experienced increased costs, reduced outputs and greater difficulty delivering services
<b>Planned Interventions</b>	<ol style="list-style-type: none"> <li>1. Provision of medical assistance to staff living with HIV/AIDS through the staff Medical Insurance scheme</li> <li>2. Provide brochures on HIV/AIDS to staff</li> <li>3. Support Behavior change initiatives and availing staff with condoms at the workplace</li> </ol>
<b>Budget Allocation (Billion)</b>	0.078
<b>Performance Indicators</b>	No. of HIV/AIDS sensitization sessions for staff conducted

### iii) Environment

<b>OBJECTIVE</b>	To mainstream environmental concerns in CMA operations
<b>Issue of Concern</b>	<p>Limited financing opportunities for green enterprises</p> <p>A green bond is a fixed income instruments whose proceeds are used to finance or refinance projects which generate climate or other environmental benefits that conform to green guidelines</p>
<b>Planned Interventions</b>	<ol style="list-style-type: none"> <li>1. Revise the corporate bond guidelines into regulations with provisions for green bonds included</li> <li>2. Partner with institutions to promote green financing in the economy</li> <li>3. Participate in planting of trees</li> </ol>
<b>Budget Allocation (Billion)</b>	0.010
<b>Performance Indicators</b>	No. of green provisions made into regulations

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### iv) Covid

<b>OBJECTIVE</b>	To reduce the spread of COVID 19 among staff
<b>Issue of Concern</b>	The Corona virus pandemic greatly hampered the interventions due to be implemented by CMA over the last two years. Activities were disrupted as they involved physical interactions with large groups of people.
<b>Planned Interventions</b>	<ol style="list-style-type: none"> <li>1. Procurement of personal protective equipment for CMA staff</li> <li>2. Encourage all staff to get fully vaccinated</li> <li>3. Promoting SOPs</li> <li>4. Routinely conduct COVID-19 sensitization meetings for CMA staff.</li> </ol>
<b>Budget Allocation (Billion)</b>	0.020
<b>Performance Indicators</b>	No. of staff contracting COVID-19, No. of COVID-19 sensitization meetings held

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## IX. PERSONNEL INFORMATION

**Table 9.1: Staff Establishment Analysis**

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
CEO	1	1	1
COMMUNICATIONS AND PUBLIC EDUCATION OFFICER	4	1	1
COMMUNICATIONS AND PUBLIC RELATIONS MANAGER	3	1	1
CORPORATE SERVICES OFFICER	4	1	1
DIRECTOR FINANCE & PLANNING	2	1	0
DIRECTOR HUMAN RESOURCE	2	1	1
DIRECTOR LEGAL AND BOARD AFFAIRS	2	1	1
DIRECTOR MARKET SUPERVISION	2	1	1
DIRECTOR RESEARCH & MARKET DEVELOPMENT	2	1	1
DRIVER	5	2	2
EXECUTIVE ASSISTANT TO THE CEO	4	1	1
FINANCE MANAGER	3	1	1
HUMAN RESOURCE & ADMINISTRATION OFFICER	4	1	1
INFORMATION TECHNOLOGY OFFICER	4	1	1
INTERNAL AUDIT MANAGER	3	1	1
INTERNAL AUDIT OFFICER	4	1	1
LEGAL MANAGER	3	1	1
LEGAL OFFICER	4	2	2
MARKET SUPERVISION MANAGER	3	1	0
MARKET SUPERVISION OFFICER	4	4	4
OFFICE ATTENDANT	5	2	2

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Title	Salary Scale	Number of Approved Positions	Number of filled Positions
PLANNING AND BUDGETING MANAGER	3	1	1
PLANNING AND BUDGETING OFFICER	4	1	1
PROCUREMENT MANAGER	3	1	0
PROCUREMENT OFFICER	4	1	1
RECORDS MANAGEMENT OFFICER	4	1	1
RESEARCH AND MARKET DEVELOPMENT OFFICER	4	3	1
SENIOR COMPLIANCE OFFICER	4	1	0
SENIOR LEGAL OFFICER	4	1	0
SENIOR MARKET SUPERVISION OFFICER	4	1	1
SENIOR RESEARCH AND MARKET DEVELOPMENT OFFICER	4	1	1

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## **Table 9.2: Staff Recruitment Plan**

N / A