

# VOTE: 140 Capital Markets Authority

## V1: VOTE OVERVIEW

### i) Vote Strategic Objectives

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

### ii) Snapshot of Medium Term Budget Allocations

**Table V1.1 Overview of Vote Medium Term Allocations (Ush Billion)**

<i>Billion Uganda Shillings</i>	FY2022/23		FY2023/24	MTEF Budget Projections			
	Approved Budget	Spent by End Sep	Proposed Budget	2024/25	2025/26	2026/27	2027/28
Recurrent Wage	3.475	0.566	3.475	3.648	4.013	4.415	4.415
Non Wage	5.095	0.109	5.095	5.197	6.237	8.419	8.419
Dev. GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ExtFin	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>
<i>A.I.A Total</i>	0.000	0	0	0.000	0.000	0.000	0.000
<b>Grand Total</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>

**Table V1.2: Medium Term Projections by Programme and Sub-Subprogramme**

<i>Billion Uganda Shillings</i>	FY2022/23		2023/24	MTEF Budget Projection			
	Approved Budget	Spent by End Sep	Proposed Budget	2024/25	2025/26	2026/27	2027/28
<b>07 PRIVATE SECTOR DEVELOPMENT</b>							
01 Investor Protection,	2.729	0.238	2.324	2.324	2.440	2.440	2.440
02 General Administration and	5.841	0.437	6.246	6.522	7.810	10.394	10.394
<b>Total for the Programme</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>
<b>Total for the Vote: 140</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>

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## V2: MEDIUM TERM BUDGET ALLOCATIONS BY DEPARTMENT AND PROJECT

Table V2.1: Medium Term Projections by Department and Project

<i>Billion Uganda Shillings</i>	FY2022/23		2023/24	MTEF Budget Projection			
	Approved Budget	Spent by End Sep	Proposed Budget	2024/25	2025/26	2026/27	2027/28
<b>Programme: 07 PRIVATE SECTOR DEVELOPMENT</b>							
<b>Sub-SubProgramme: 01 Investor Protection, Supervision, Research and Market Development</b>							
<i>Recurrent</i>							
001 Market supervision	0.811	0.133	1.163	1.171	1.171	1.171	1.171
002 Research and Market Development	0.874	0.087	0.758	0.753	0.753	0.753	0.753
003 Communications and Public Education	1.044	0.018	0.403	0.400	0.516	0.516	0.516
<b>Total for the Sub-SubProgramme</b>	<b>2.729</b>	<b>0.238</b>	<b>2.324</b>	<b>2.324</b>	<b>2.440</b>	<b>2.440</b>	<b>2.440</b>
<b>Sub-SubProgramme: 02 General Administration and Support Services</b>							
<i>Recurrent</i>							
001 Finance and Administration	4.590	0.360	4.759	5.046	6.334	8.918	8.918
002 Legal and Board Affairs	1.251	0.077	1.487	1.476	1.476	1.476	1.476
<b>Total for the Sub-SubProgramme</b>	<b>5.841</b>	<b>0.437</b>	<b>6.246</b>	<b>6.522</b>	<b>7.810</b>	<b>10.394</b>	<b>10.394</b>
<b>Total for the Programme</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>
<b>Total for the Vote: 140</b>	<b>8.570</b>	<b>0.675</b>	<b>8.570</b>	<b>8.846</b>	<b>10.250</b>	<b>12.834</b>	<b>12.834</b>

## V3: VOTE MEDIUM TERM PLANS

### Planned Outputs for FY2023/24 and Medium Term Plans

FY2022/23	FY2023/24		
Plan	BFP Performance	Plan	MEDIUM TERM PLANS

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

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Undertake public education outreaches to help grow CIS AUM to UGX one trillion. CMA will lobby for Government adoption of one policy that is favorable to the capital markets industry. CMA will play a crucial part in the approval of listing for another firm on the stock exchange. The CMA Act will be amended

In the FY 2023/24, CMA intends to achieve the following under the two NDP III Strategic Sub-Interventions;

1) Deepen and widen Capital Markets:  
- All Market Intermediaries risk profiled

- Off and on-site inspections of all Market Intermediaries carried out

- Capital Markets complaints 100% resolved

- Capital Market sensitization events conducted

- IEC materials conducted

- New licenses and renewals assessed and printed

- Social Media Campaigns about Capital Markets conducted

- 4 Television Shows to sensitize the public about Capital Markets conducted

- 20 Radio shows about Capital Markets conducted

- Media articles and notices regarding Capital Markets published

- Electronic Document Records Management System - EDRMS fully implemented

- Capital Markets brochures printed and disseminated

- Licensing and Approvals process automated

- CMA represented at AML (ESMLAAG and ICRG) meetings

2) Strengthen the legal and regulatory frameworks for Private Equity and Venture Capital:

- 4 Statutory Board meeting, 4 committee board meetings and 2 Special Board meetings conducted

- Allowances to police paid in enforcement actions

- Legal fees in litigations paid

- Law Society Certificate of Chambers renewed

- Capacity building of CMA attached Police Officers

- Capital Markets abuse incidents investigated and completed

- Regulatory Impact Assessment on CIS and consultations on CIS

Over the medium term, Capital Markets Authority - CMA will pursue interventions contributing to the realization of the NDP III Private Sector Development Programme.

CMA will intervene by facilitating the mobilization of alternative financing sources to finance private investment by (i) Deepening and widening the capital markets, and (ii) Strengthening the legal and regulatory frameworks for Private Equity and Venture Capital.

CMA will work closely with the MFPED to implement the Private Sector Development Plan (PSD) through its Program Implementation Action Plan (PIAP).

CMA intends to undertake the following actions in the medium term:

1) Enhancing investor protection which intends to promote investor confidence in the capital markets

2) Automation of licensing and approvals; and the continuous market compliance function

3) Strengthen mainstreaming of Cross Cutting Issues in the Annual Work plans

4) Continuous Institutional capacity development of the CMA

5) Development and amendment of appropriate regulations that facilitate the development of Uganda's capital markets.

6) Organizing a University Challenge that will seek to enhance awareness of capital markets among University Students considered to be future investors

7) Establishment of the Uganda Fixed Income Market Company that will facilitate the deepening of secondary markets for fixed income securities in Uganda

8) Lobbying for increased resource allocation from government and donor partners to better facilitate the operations of CMA

9) Enhancing Strategic Partnerships with key stakeholders to ensure vibrancy, enhanced activity and liquidity in the equity markets by facilitating dealing and dealers

10) Increasing access to market-based financing through the domiciliation of private equity funds in Uganda and provision of a favorable taxation regime for PE funds as pass-through vehicles.

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CIS and consultations on CIS pass-through vehicles.  
 regulations conducted  
 - Capital Markets Regulations  
 Public notices gazetted and pri  
 - Review and amendment of ex  
 laws and regulations conducted  
 - Anti-Money Laundering ESM  
 and ICRG face to face meeting  
 - New licenses and renewals pr

### V4: Highlights of Vote Projected Performance

**Table V4.1: Budget Outputs and Indicators**

<b>Programme:</b>	07 PRIVATE SECTOR DEVELOPMENT
<b>Sub SubProgramme:</b>	01 Investor Protection, Supervision, Research and Market Development
<b>Department:</b>	001 Market supervision
<b>Budget Output:</b>	190024 Investor Protection
<b>PIAP Output:</b>	A conducive environment for capital markets is in place
<b>Programme Intervention:</b>	070504 Mobilize alternative financing sources to finance private investment

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<b>Sub SubProgramme:</b>		01 Investor Protection, Supervision, Research and Market Development				
<b>PIAP Output:</b>		A conducive environment for capital markets is in place				
Indicator Name	Indicator Measure	Base Year	Base Level	FY2022/23		FY2023/24
				Target	Q1 Performance	Proposed
CIS assets under management (UGX bn)	Number	2016/17	1.3trillion	UGX 1,238 bn	UGX 1.453 Tn	1.35trillion
Measures implemented to encourage public interest companies list	List	2016/17	1	1	0	2
Number of CIS accounts	Number	2016/17	25000	30000	16546	30000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2016/17	2000	20000	0	2500
Number of companies supported by a functional deal flow facility	Number	2016/17	1	5	3	5
Number of firms that received private equity funding by local private equity funds	Number	2016/17	2	2	0	4
<b>Department:</b>		002 Research and Market Development				
<b>Budget Output:</b>		190025 Research and Advisory				
<b>PIAP Output:</b>		A conducive environment for capital markets is in place				
<b>Programme Intervention:</b>		070504 Mobilize alternative financing sources to finance private investment				
Indicator Name	Indicator Measure	Base Year	Base Level	FY2022/23		FY2023/24
				Target	Q1 Performance	Proposed
CIS assets under management (UGX bn)	Number	2021/22	1238 billion	1,238 Billion	UGX 1.453 Tn	1600 billion
Measures implemented to encourage public interest companies list	List	2021/22	0	1	0	1
Number of CIS accounts	Number	2021/22	20000	30000	16546	75000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2021/22	0	20000	0	20000
Number of companies supported by a functional deal flow facility	Number	2021/22	0	5	3	5
Number of firms that received private equity funding by local private equity funds	Number	2021/22	0	2	0	5

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<b>Sub SubProgramme:</b>	02 General Administration and Support Services					
<b>Department:</b>	001 Finance and Administration					
<b>Budget Output:</b>	000014 Administrative and Support Services					
<b>PIAP Output:</b>	A conducive environment for capital markets is in place					
<b>Programme Intervention:</b>	070504 Mobilize alternative financing sources to finance private investment					
Indicator Name	Indicator Measure	Base Year	Base Level	FY2022/23		FY2023/24
				Target	Q1 Performance	Proposed
CIS assets under management (UGX bn)	Number	2016/17	1.3 trillion	UGX 1,238 bn	UGX 1.453 Tn	1.35 trillion
Measures implemented to encourage public interest companies list	List	2016/17	1	1	0	2
Number of CIS accounts	Number	2016/17	25000	30000	16546	30000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	2016/17	2000	20000	0	2500
Number of companies supported by a functional deal flow facility	Number	2016/17	1	5	3	5
Number of firms that received private equity funding by local private equity funds	Number	2016/17	2	2	0	4
<b>Department:</b>	002 Legal and Board Affairs					
<b>Budget Output:</b>	000012 Legal and Advisory Services					
<b>PIAP Output:</b>	A conducive environment for capital markets is in place					
<b>Programme Intervention:</b>	070504 Mobilize alternative financing sources to finance private investment					

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<b>Sub SubProgramme:</b>		02 General Administration and Support Services				
<b>PIAP Output:</b>		A conducive environment for capital markets is in place				
Indicator Name	Indicator Measure	Base Year	Base Level	FY2022/23		FY2023/24
				Target	Q1 Performance	Proposed
CIS assets under management (UGX bn)	Number	16/17	1.3 TN	UGX 1,238 bn	UGX 1.453 Tn	1.35TN
Measures implemented to encourage public interest companies list	List	16/17	1	1	0	2
Number of CIS accounts	Number	16/17	25000	30000	16546	30000
Number of CIS Accounts opened to invest in government securities through mobile phones	Number	16/17	2000	20000	0	2500
Number of companies supported by a functional deal flow facility	Number	16/17	1	5	3	5
Number of firms that received private equity funding by local private equity funds	Number	16/17	2	2	0	4

### V5: VOTE CROSS CUTTING 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>

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<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>	Limited financing opportunities for green enterprises 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
<b>Planned Interventions</b>	1. Revise the corporate bond guidelines into regulations with provisions for green bonds included 2. Partner with institutions to promote green financing in the economy 3. Participate in planting of trees
<b>Budget Allocation (Billion)</b>	0.01
<b>Performance Indicators</b>	No. of green provisions made into regulations

### 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>	1. Procurement of personal protective equipment for CMA staff 2. Encourage all staff to get fully vaccinated 3. Promoting SOPs 4. Routinely conduct COVID-19 sensitization meetings for CMA staff.
<b>Budget Allocation (Billion)</b>	0.02
<b>Performance Indicators</b>	No. of staff contracting COVID-19, No. of COVID-19 sensitization meetings held