



**REPUBLIC OF GHANA**

**GUIDELINES FOR THE GOVERNMENT SECURITIES MARKET**

**PRIMARY DEALERS**

**AND**

**BOND MARKET SPECIALISTS**

PUBLIC

2020

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## ACRONYMS AND ABBREVIATIONS

BMS	Bond Market Specialist
BOG	Bank of Ghana
CSD	Central Securities Depository
GHS	Ghana Cedis
GIFM	Ghana Fixed Market Income
GOG	Government of Ghana
G-Secs	Government Securities
IPG	Initial Price Guidance
JBR	Joint Book Runner
MOF	Ministry of Finance
OMO	Open Market Operation
PD	Primary Dealer
USD	United States Dollar

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## 1. INTRODUCTION

- 1.1. The purpose of these Guidelines is to guide the purchase of Government securities in the domestic market to the provisions in the Public Financial Management Act, 2016 (Act 921), hereinafter referred to as 'the Act', and the Public Financial Management Regulations, 2019 (L.I. 2378) hereinafter referred to as 'the Regulations'. These guidelines shall apply to Primary Dealers and the newly formed Bond Market Specialists.
- 1.2. These guidelines are not intended to be all encompassing and it shall be used with reference to other Directives issued by the Ministry of Finance, hereinafter referred to as 'MOF' and the Bank of Ghana hereinafter referred to as 'BOG'.

## 2. EVOLUTION OF THE GOVERNMENT SECURITIES MARKET

- 2.1. In 1987, the BOG introduced the weekly treasury bills tender process. The securities market at that time was opened to banks, discount houses and the general public, although the public had to submit their applications through their respective banks. The tender operated side by side with tap sales where customers were allowed to purchase bills directly from BOG. The dual process of government auction continued up until 1992 when Ghana transitioned into a full democracy.
- 2.2. From 1992, the BOG abolished all direct controls of monetary policy management and resorted primarily to Open Market Operation (OMO) in conducting monetary policy. In 1996, the BoG introduced the wholesale auction and a system of Primary Dealers (PDs) in the Government Securities (G-Secs) Market intended to enhance the ability to achieve adequate funding for the Government of Ghana's (GOG) Public Sector Borrowing Requirement (PSBR) through the development of reliable primary and secondary markets. Selected financial institutions were permitted to participate in the periodic wholesale auction. Each was designated as a Primary Dealer (PD). PDs could participate in the primary auction as principals for their own accounts. Individuals and institutional investors, however, could participate in the market by obtaining their securities from the Primary Dealers. By the end of 2004, the BOG had introduced the Central Securities Depository (CSD). The CSD's objective was to enforce the electronic book-entry system for the registering and maintaining custody of investors' holdings in GOG and BOG securities. The establishment of CSD led to the abolishment of the issuance of physical certificate(s) to those who purchase GOG and BOG instrument(s).
- 2.3. In 2015, Government announced changes to the issue and trading of GOG securities, limiting the number of institutions that could act as Primary dealers. The changes were aimed at strengthening the primary dealership system, facilitating the development of the fixed income market and at the same time, creating a stable environment in which

private sector investors could readily meet their investment needs. PDs were also obliged to act as market makers in GOG securities, including quoting two-way prices on designated securities and also help ensure a transparent price discovery at any point in time. The weekly wholesale auctions of Treasury bills and 1- and 2- year Notes were complemented with auctions of longer-dated securities via book building method involving a selected group of financial institutions, known as Joint Book Runners (JBRs).

2.4. In 2019, Government introduced the 364-day bill to replace the 1-year note. Also, a 20-year shelf security was added to meet the needs of investors for long term assets while providing a cost-effective and stable source of financing for Government.

2.5. For 2020 and beyond, Government's efforts at having a well-structured and a well-functioning money market are still on course. In this regard and to build on the JBR system, Government has streamlined its engagements with investors as a way of further developing the primary and secondary markets. To this end, Government has appointed Bond Market Specialists (BMS) from within the Primary Dealers and licensed investment dealers to conduct Government's bond market operations. This reform is expected to help improve the efficiency and transparency of the Ghana Fixed Income Market (GFIM). The erstwhile PDs in good standing will continue to be the exclusive counterparts of Government in the auction of **ONLY** Treasury bills while the BMS shall conduct the issuance of securities with tenor of 2-years and above. All dealers (PDs and BMS) will be required to comply with primary market requirements and responsibilities, conducts and obligations and notices as may be determined by Government.

### **3. SECURITIES**

#### **3.1. Government of Ghana Securities**

3.1.1. Government securities (bills, notes, bonds) constitute direct, unsecured and unconditional obligations of the Government. The principal and discount/interest on Government securities represent a charge on the Consolidated Fund.

3.1.2. Government Securities are issued for the financing of Government transactions, to redeem maturing securities and for the development of the Ghana financial markets; by providing risk-free benchmark securities that act as reference for the issue of debt instruments in the money and capital market by corporates and non-government institutions.

3.1.3. The securities include:

- Short term securities:  
91-Day;

182-Day; and  
364-Day Treasury Bills

- Medium-term securities:
  - 2-year Treasury Notes;
  - 3-year Medium-Term Bonds;
  - 3-year Medium-Term USD Bond;
  - 5-year Medium-Term Bonds;
  - 6-year Medium-Term Bonds; and
  - 7-year Medium-Term Bonds.
- Long term securities:
  - 10-year Long-Term Bonds;
  - 15-year Long-Term Bonds; and
  - 20-year Long-Term Bonds.
- any other securities that may be issued from time to time.

### 3.2. BOG Securities

3.2.1. BOG bills are issued for Open Market Operation (OMO) purposes; for the management of market liquidity. They are the 14-day and 56-day securities and others that may be introduced by the BOG from time to time.

## 4. CURRENCY

4.1. Securities issued shall be denominated in the local currency-Ghana Cedis (GHS) except when explicitly stated by the MOF. All payments in respect of subscription and redemption shall be made in the currency of issuance.

## 5. WHOLESALE AUCTION

5.1. The Wholesale auction is the primary market for the issuance of GOG and BOG securities, and it is opened to only authorised dealers - Primary Dealers.

5.2. All PDs must participate in the primary auction of Treasury bills by purchasing bills for their own accounts and for their trading books.

5.3. Interested investors can buy or sell securities in the secondary market through accredited depository participants.

### 5.4. Eligibility of Primary Dealership

5.4.1. Only financial institutions authorised by the BOG shall be eligible to participate in the wholesale auction as Primary Dealers.

- 5.4.2. Any Institution applying to become a PD must be incorporated under the relevant laws of Ghana, be licensed by the relevant statutory bodies and/or regulators, must be appointed by the CSD as a depository participant and by GFIM as a licensed dealing member.
- 5.4.3. For the purposes of these guidelines, financial institutions so authorised shall be referred to as **"PRIMARY DEALERS"** (PDs).
- 5.4.4. The Treasury & Debt Management Office in MOF may request a PD or BMS to provide the relevant information for public debt management in accordance with these guidelines.
- 5.4.5. The Minister may appoint a PD or BMS on the terms and conditions that the Minister may determine.

## **5.5. Notification of Issuance**

- 5.5.1.1. The MOF shall publish the Medium Term Debt Strategy (MTDS), the Annual Borrowing and Recovery Plan (ABRP) of the financial year and a quarterly rolling calendar for the issuance of Government securities. Based on the published calendar:
- 5.5.1.2. MOF shall announce within a week before an auction, the amounts and specific details of the financial instruments available at the next auction and their maturity profiles; and
- 5.5.1.3. for the issuance of notes and bonds, a prospectus will be published in the daily newspapers and on MOF and BOG websites on periodic basis.

## **5.6. Auction Application Procedure**

- 5.6.1. The auction security details for a Tender will be set up and opened on the electronic auction system at the specified period.
- 5.6.2. Each PD's bid/application for the purchase of securities shall be submitted electronically through the electronic auction system.
- 5.6.3. PDs shall submit bids not less than their proportional share at any tender auction.
- 5.6.4. For auctions of GoG securities, there shall be a provision for bids to be made on a competitive or non-competitive basis.

- 5.6.5. Each competitive bid must be for a single amount and at a desired price or rate expressed as a percentage. A PD may submit one or more competitive bid(s) at different prices or rates.
- 5.6.6. Each competitive bid must be for a minimum nominal value of **GHS500,000.00**. PDs are allowed to submit non-competitive bid but the total percentage of each PD's non-competitive bid shall not exceed 20% of the PD's total bids submitted for a particular security.
- 5.6.7. The Bank of Ghana may from time to time submit a non-competitive bid for its own account.
- 5.6.8. The auction of Treasury bills shall normally be held on Fridays, between 3:00 p.m. and 4:00 p.m. However, if the Friday happens to be a holiday, the auction shall be held on the preceding working day.
- 5.6.9. The auction schedule of GoG securities shall conform to the details of the published announcement.
- 5.6.10. The Auction committee may accept or reject any or all bids or tenders.

## 5.7. Pricing and Allotment

- 5.7.1. Competitive Bids
- 5.7.2. Competitive bids will be ranked in descending order of price or ascending order of discount/interest rate. Bills will be sold to applicants whose competitive bids are at or above the lowest price or at or below the highest rate at which the auction committee will decide that any competitive bid should be accepted (the "**lowest accepted price**" or "**highest accepted rate**").
- 5.7.3. Where allotments are made by **the multiple price/rate method**, applicants whose competitive bids are accepted will purchase bills at the prices or rates at which they bid. Competitive bids which are accepted and which are made at prices above the lowest accepted price or below the highest accepted rate will be satisfied in full. Competitive bids which are accepted and which are made at the lowest accepted price or highest accepted rate may be satisfied in part only or on a pro-rata basis.
- 5.7.4. Where allotments are made by the uniform allotment rate method (which shall be restricted to the first issue of GOG note or a bond), all successful bidders will purchase the notes and bonds at the accepted rate, irrespective of the rates quoted. Competitive bids which are accepted and which are made at rates below the highest



accepted rate would be satisfied in full. Competitive bids which are accepted and which are made at the uniform allotment rate may be satisfied in part only.

- 5.7.5. In making a competitive bid, each bidder represents and undertakes that it has not discussed its bid, or the bid of anyone else, with any other person nor, in any other way whatsoever, has disclosed its bid to any other person, or had anyone's bid disclosed to it, nor has it colluded or sought to collude with any other person as to its own bid or that of any other person or the pricing of the auction generally.

## **5.8. Non-Competitive Bids**

- 5.8.1. Not more than 20% of the amount submitted per security will be accepted non-competitively.
- 5.8.2. If the total amount of non-competitive bids exceeds 20% of the amount submitted per security at any auction, the Auction Committee reserves the right to pro-rate those non-competitive bids and to allocate to PDs their pro-rata shares.
- 5.8.3. Bids submitted by BOG for its own accounts are not subject to these limits. BOG will bid only on a non-competitive basis.
- 5.8.4. Non-competitive bids, which are accepted, will be allotted at the non-competitive sale price/rate. The non-competitive sale price/rate for auctions of Conventional bills/bonds will be equal to:
- 5.8.4.1. the average of the prices/ rates at which competitive bids have been accepted (under the multiple price system), the average being weighted by reference to the amount accepted at each price/rate OR
  - 5.8.4.2. the uniform allotment price/ rate where allotments are in accordance with the single or uniform pricing method.
- 5.8.5. The auction results will be available to all dealers immediately after auction processing via the CSD auction platform.
- 5.8.6. The non-competitive sale price/rate for auctions of Index-linked Bonds will be equal to the uniform allotment price/rate accepted for competitive bids.

## **5.9. Miscellaneous Auction Rules and Procedures**

- 5.9.1. Bids once submitted may not be withdrawn after the auction is closed.
- 5.9.2. Bids with errors will not be eligible for the auction.

5.9.3. The BOG shall publish weekly reports and analysis of the auction results, giving details of:

- the amount received and allotted per security;
- the range of rates received and the range of rates accepted;
- the weighted average discount and interest rate for each security; and
- other relevant information as and when required.

- a) The PDs Committee shall continue to monitor and review the wholesale auction arrangements and make the necessary modifications to ensure the smooth running of the arrangements.
- b) Any question relating to the auction may be referred to the BOG and MOF.

## **6. BOOK-BUILDING ISSUANCE PROCESS**

### **6.1. Introduction:**

6.1.1. Since 2015, GOG notes and bonds have been issued (new issuance and tap-ins) via the Book-building method. The book-building method is intended to diversify the existing resident and non-resident investor base, seeking out new investors and extending the geographical reach.

### **6.2. The Role of the Joint Bookrunners:**

6.2.1. Financial institutions nominated as JBRs were engaged to advise the MOF on the timing, design and structure of individual transactions; coordinating the marketing; providing advice with respect to initial and revised price guidance; and managing the order book.

6.2.2. In addition, the JBRs assisted in preparing the legal documentation and communicating with the market and other stakeholders.

6.2.3. The JBRs were equally tasked with maintaining a secondary market for the GOG notes and bonds.

### **6.3. Replacement of the JBRs with the Bond Market Specialists:**

6.3.1. The GOG by this guideline, replaces the JBRs with Bond Market Specialists (BMS) in the auction of GOG notes and bonds.

6.3.2. BMS are required to comply with strict bidding and market making obligations in these securities, as determined by the BOG and MOF.

6.3.3. PDs that are not BMS, and other non-PD firms and individuals, are expected to place their orders through the BMS.

#### 6.4. Roles and responsibilities of the BMS:

6.4.1. Advise Government and manage the marketing, sales and market-making of GOG securities;

6.4.2. Purchase new issues of GOG securities in the primary market and to meet the transaction needs of investors within the secondary market;

6.4.3. Underwrite any auction shortfalls where necessary at a determined rate;

6.4.4. Comply with all obligations under this guidelines and notices as determined by the BOG and MOF; and

6.4.5. Any assignment that would be given by the MOF and BOG from time to time.

#### 6.5. Operational Detail

6.5.1. Treasury notes and bonds issuance shall be announced on the quarterly issuance calendar. The details of the transaction shall be announced at least one week prior to any issuance.

6.5.2. Specific details for each transaction will be announced in the transaction announcement.

6.5.3. The MOF prior to any transaction will nominate BMS(s) for the auction of notes and bonds.

6.5.4. Transaction announcement for each auction will be published with a detailed schedule by the nominated BMS.

6.5.5. The BMS will release the Initial Price Guidance (IPG) two working days prior to the auction.

6.5.6. The IPG may be revised as necessary during the book-building, on approval by the MOF.

6.5.7. Books are opened a day before the auction and are expected to close the same day as the auction day.

6.5.8. Settlement takes place T+2.

6.6. Where allotments are made by the uniform allotment price method, all successful bidders will purchase the bonds at that price, irrespective of the price quoted.

6.7. All successful bids will clear at a single clearing level.

6.8. Competitive bids which are accepted and which are made at prices above the uniform allotment price or rates below the highest accepted rate would be satisfied in full.

6.9. Competitive bids which are accepted and which are made at the uniform allotment price may be satisfied in part only.

## 7. TAP AUCTIONS

### 7.1. Introduction

7.1.1. The Government shall from time to time schedule tap auctions ("tap-ins") of existing GOG notes and bonds. Such transactions are made to meet government cash needs, build benchmark size in existing medium to longer-dated securities.

7.1.2. All tap-ins shall be announced to the public within a week before the transaction date.

7.1.3. Tap auctions will be allotted by the multiple price method. Applicants whose competitive bids are accepted will purchase notes and bonds at the prices or rates at which they bid.

**7.1.4. Competitive bids which are accepted and made at prices above the lowest accepted price or below the highest accepted rate will be satisfied in full.**

7.1.5. Competitive bids which are accepted and are made at the lowest accepted price, or highest accepted rate, may be satisfied in part only.

7.1.6. Non-competitive bids shall be accepted at the weighted average price or rate.

### 7.2. Publication of Issuance Results

7.2.1. The detailed results of any auction shall be available from 4.30 pm in the Auction Module available to all eligible PDs on the auction day.

7.2.2. In any event, the Primary Dealer and other competitive and non-competitive bidders shall be notified of their allotments by no later than the end of the first Business Day following the auction.

7.2.3. BOG will publish a detailed report of each auction in a press notice. Likewise, the BOG and MOF shall publish the same report on their respective website by close of each auction.

7.2.4. For conventional bills and tap auctions of conventional notes and bonds issued at a multiple allotment price/rate, such reports and analyses for a Tender will include:

7.2.4.1. the range of prices/rates submitted and accepted of the various securities;

7.2.4.2. the volume of bids submitted and accepted of the various securities;

7.2.4.3. the weighted average rate/price of the various; and

7.2.4.4. the gross redemption yields equivalent to those prices or rates.

7.2.5. For conventional notes and bonds issued at a uniform allotment price, such reports and analyses will include:

7.2.5.1. the range of prices/rates submitted and accepted of the various securities;

7.2.5.2. the volume of bids submitted and accepted of the various securities; and

7.2.5.3. uniform allotment price or uniform allotment.

7.2.6. For any index-linked bonds issued at a uniform allotment price, such reports and analyses will also include:

7.2.6.1. the real yield equivalent to that price (and the assumption made in calculating the real yield);

7.2.6.2. the value of the applicable index; and

7.2.6.3. the first business day following the auction date.

## **8. PAYMENT AND SETTLEMENT**

8.1. Unless otherwise announced, the settlement period for primary issues of Government treasury bills shall be T+1, that is, the first working day after the auction.

8.2. In the case of GOG notes and bonds issues open to external investors, settlement shall be T+2, that is, two day working days after the auction, to enable external investors to arrange for the domestic currency required for successful allotments.

8.3. The amount of payment to be effected on settlement day for discount securities will be calculated based on the actual number of days to maturity (D), a year of 364 days and the accepted discount rate using the following formula:

$$\text{Cost} = F(1 - \frac{D}{364} \times \frac{r}{100})$$

Where:

F is the Face or Nominal value

D is the number of Days

r is the accepted rate of discount

8.4. All payments for Government Securities shall be made through the settlement partners' accounts with BOG.

8.5. Holders of such accounts must ensure that they have enough funds in their accounts on settlement date to cover purchases made.

8.6. On the issue and settlement date:

8.6.1. The settlement partners' account is debited by BOG; and

8.6.2. CSD credits the Securities Account of the successful bidder(s).

8.7. Proceeds of securities purchased and/or those underwritten at auction shall be paid on maturity to the account of the holder.

## 9. UNDERWRITING COMMITMENTS

9.1. In the case of auction shortfall, BMS shall be made to purchase its uncovered proportional share and furthermore underwrite where auction target remains unmet, within three working days after the auction.

## 10. REGISTRATION AND HOLDERS

10.1. The CSD shall maintain a register of the Government Securities in electronic book-entry form. An entry in the Register of the name of an investor shall constitute prima facie evidence that the investor is the legal owner of the securities referred to against his/her name.

10.2. The Register shall contain the following information:

10.2.1. The issue date of the securities;

- 10.2.2. The ISIN of the securities;
- 10.2.3. The amount, type and maturity of each security held by each investor and the date the investor became registered as owner of the security;
- 10.2.4. The name and address of the investor; and
- 10.2.5. Whether the investor is holding the securities as a nominee for a beneficial owner.
- 10.3. Although the Register shall not be open to the public, the CSD shall meet all written requests for information about the securities held by any investor. Such information will be provided at a fee payable by those who request such information.
- 10.4. The Register shall be closed for the purpose of making payments on existing securities **two (2)** business days prior to an interest payment date or the maturity date (in each case, the "**Record Date**"). Accordingly, if the bonds are transferred to a new bondholder after the record date, but before an interest payment date or the maturity date, payment will be made to the bondholder prior to the record date.
- 10.5. The CSD will maintain and update the register under this paragraph, and it shall not be responsible for any losses or liabilities suffered or incurred by a Bondholder or other member of the public who relies on information obtained from the Register which is not correct or is misleading, as long as the error was not caused by the CSD.
- 10.6. In carrying out its duties, the CSD may rely on a Transaction which appears on its face to be genuine and to have been duly signed by authorised signatories of the party or parties to it, or captured in the CSD system by an authorised user, and shall not be liable in any way should it later transpire that the Transaction was a forgery or that it was not duly authorised by a party.

## 11. NON-COMPLIANCE

- 11.1. **When a PD fails to comply with the requirements of these Guidelines, and/or any Prospectus or notice, the PD Committee will consider the circumstances of such failure and determine the appropriate action.**
- 11.2. **Such actions may include prohibiting the PD from participating in future GOG auctions.**
- 11.3. **The PD Committee may also refer such occurrences to the appropriate regulatory agency for enforcement action.**
- 11.4. In determining whether or not there has been any such failure, investors, bidders and PDs will supply such information as the PD Committee may reasonably request. Any such determination by the PD Committee shall be conclusive.

11.5. **If, notwithstanding a default in making due payment, the BOG accepts payment after the issue date, it may charge interest on the amount payable in respect of the period from the issue date to the date of payment, at a rate equal to the BOG Monetary Policy Rate plus 2% per annum.**

11.6. Notwithstanding the above, the Minister may revoke the appointment of a PD or BMS, where that PD or BMS:

11.6.1. Fails to meet the criteria specified in this Guideline, the Regulation or the Act;

11.6.2. Furnishes the Auction Committee/PD Committee with false information;

11.6.3. Fails to furnish the required information; or

11.6.4. Fails to comply with the guidelines issued, the conditions imposed or directions given

## **12. COMMISSION/CHARGES/BROKERAGE FEES**

12.1. BMS are required to underwrite any shortfall beyond their proportional share of the auction.

12.2. To motivate BMS in carrying out the underwriting obligation in the primary and/or secondary markets, government may consider either one of the following BMS compensation scheme:

12.2.1. A fee to be decided by Government on top of the underwritten shortfall; or

12.2.2. A 50 basis point above the rate of the underwritten auction.

12.3. The detailed schedule for the preferred fee structure, and the payment criteria, shall be agreed between the MOF and BMS in a separate “BMS Fee Schedule” which may be updated from time to time by the MOF.

## **13. SECONDARY MARKET**

13.1. **Market Share**

13.1.1. BMS are expected to achieve and maintain a market presence sufficient to earn them an appropriate share of secondary market turnover.

13.1.2. BMS are expected to maintain a minimum secondary market share of not less than 5%, as measured on a six-month rolling average. Secondary market share shall be calculated as the sum of the nominal value of purchase and sale transactions in GOG notes and bonds of a BMS divided by those of the market as a whole.



## **14. MARKET-MAKING PROCEDURES**

- 14.1. All BMS must show a commitment to participate actively as market-makers in the long-term instruments.
- 14.2. BMS must quote two-way prices in designated benchmark securities in all market conditions.
- 14.3. Quotes by a BMS are considered firm unless otherwise stated.

## **15. DEALING PRACTICES**

- 15.1. Government bonds and notes shall be traded on a yield basis but settled on a price "plus accrued" (dirty price) basis. Price quoted must be in four (4) decimal places.
- 15.2. For "when issued" trading on or prior to the auction date, quotations are on a yield basis specified to four (4) decimal places.
- 15.3. Similarly, for new issues sold at auctions, bidding for competitive tenders is on a yield basis with bids specified to four (4) decimal places.
- 15.4. The prices, based on the successful yield bids, are to be expressed to three decimal places.
- 15.5. Treasury bills are quoted on a rate of discount basis, in percentage terms, expressed to four (4) decimal places. The resultant prices are to be expressed to four (4) decimal places.

## **16. PRICE QUOTATIONS**

- 16.1. BMS are expected to make continuous two-way price quotations in all designated GOG benchmark securities during normal business hours and in all market conditions, in the sizes and spreads consistent with rules established by GFIM.
  - 16.1.1. where it is a PD, shall provide two-way quotes for all agreed benchmarked securities listed;
  - 16.1.2. where it is not a PD, it is not required but may provide two-way quotes for all agreed benchmarked securities listed. BMS are not obliged to show continuous two-way prices in non-benchmark securities but would be expected to respond to any requests for quote (RFQ). Quotes or firm orders for notes and bonds shall be on the basis of yield but shall also display the clean price.

## 17. MARKET LOT TRANSACTIONS

- 17.1. The standard amount for quotes by Members for dealer to dealer transactions in agreed benchmarked securities shall be GHS 500,000.00 or as may be determined from time to time.
- 17.1.1. The standard amount for all other quotes in agreed benchmarked securities shall be GHS 50,000.00 or as may be determined by the GFIM from time to time.
- 17.1.2. Where a Member's registered trader requests a quote for an amount larger than the standard amount, in a benchmarked security, the trader shall state the exact amount up-front.
- 17.1.3. The quoting dealer/trader may decline to quote for such an exact amount and shall specify the amount he/she is willing to quote, and such amount shall be the standard amount or higher.
- 17.1.4. A dealer is not obliged to provide a two-way quote in securities that have not been benchmarked by GFIM.

## 18. VALUE DATE

- 18.1. The normal value date shall be (T+2), that is two business days following transaction date unless otherwise specified at the time of dealing. Such trades are referred to as regular trades,

## 19. BUSINESS HOURS

- 19.1. Normal business hours for regular trades are 9:00 am to 4:00 p.m. from Mondays to Fridays.
- 19.2. The normal business hours for cash trades (same day settlement) are: 9:00 am to 4:00 p.m. from Mondays to Fridays.

## 20. DEFINITIONS

- 20.1. **Auction Committee:** Committee with representation from the Ministry of Finance, Bank of Ghana, and Controller and Accountant General Department, to assess and manage the performance of primary dealers.
- 20.2. **Bond Market Specialist:** An institution authorised by the Ministry of Finance and the Bank of Ghana to participate in the bookbuilding auction of Government notes and bonds.

- 20.3. **Bonds:** Debt securities that give holders unconditional right to fixed income or contractually determined payments on a specified date or dates.
- 20.4. **Buy-back:** The repurchase of existing securities by government of all or a portion of its debt before its maturity date.
- 20.5. **Dollar-Denominated Bond:** A bond issued in USD currency outside the United States.
- 20.6. **Domestic Debt:** Debt issued on the domestic capital market.
- 20.7. **Initial Price Guidance:** This indicates the range of the yield to maturity at which the bond will be issued.
- 20.8. **Interest Rate:** The cost or price of borrowing, or the gain from lending, normally expressed as an annual percentage rate.
- 20.9. **Investment Dealers:** Firms licensed by the Securities and Exchange Commission that can sell a wide range of investment products for its own account or on behalf of its customers.
- 20.10. **ISIN:** International Securities Identification Number.
- 20.11. **MTDS:** A debt management strategy planned to be implemented over the medium-term (usually three to five years) in order to achieve a composition of a desired debt portfolio with regards to the cost-risk trade-off.
- 20.12. **Primary Dealer Committee:** Committee with representation from the Ministry of Finance, Bank of Ghana, Ghana Fixed Income Market and Central Securities Depository to support the appointment and revocation of the appointment of PDs and BMS.
- 20.13. **Primary Dealer:** An institution authorised by the Ministry of Finance and Bank of Ghana to participate in the wholesale auctions in the issuance of Government treasury bills and through whom securities are distributed to a holder or end investor.
- 20.14. **Proportional Market Share:** The percentage of auction target amount to be covered by each PD/BMS, approximated to the nearest whole number. It is calculated as 100 divided by the total number of authorized Dealers in the primary market.
- 20.15. **Repo:** A generic name for both a Repurchase Transaction and a Sell/Buy-Back. It is a sale of a quantity of securities (by the Seller) at a purchase.
- 20.16. **Secondary Market:** A market where previously issued financial instruments such as bonds are bought and sold; a market that investors sell to other investors.

- 20.17. **Settlement Partner:** A commercial or universal Bank that has a settlement account with the BOG and settles on GIS.
- 20.18. **The Public Financial Management Act, 2016 (Act 921)** : is an Act to regulate the financial management of the public sector within a macroeconomic and fiscal framework; and to define responsibilities of persons entrusted with the management and control of public funds, assets, liabilities and resources.
- 20.19. **Yield:** The return on an investment or interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost, current market value or face value.

## Review and Enquiries

These guidelines shall be subject to review by the MOF and BOG.  
All enquiries shall be directed to the following:

Website: [www.mofep.gov.gh](http://www.mofep.gov.gh)

email: [info@mofep.gov.gh](mailto:info@mofep.gov.gh)

[www.bog.gov.gh](http://www.bog.gov.gh)

email: [bogsecretary@bog.gov.gh](mailto:bogsecretary@bog.gov.gh)