



The West African Capital Markets Integration Council (WACMIC) was inaugurated as the governing body for the integration of West African capital markets. The over-arching objective of the Council is to establish a harmonized regulatory environment for the issuance and trading of financial securities across the region. The WACMIC comprises the Chief Executives of the region's Securities and Exchange Commissions and Securities Exchanges. The Council is tasked with designing the policy framework and managing the implementation of the process that will facilitate the creation of an integrated capital market in West Africa. Specifically, the Council is to:

- Supervise the capital market integration programs
- Set up standards and validate all works done by the technical committees
- Monitor and assess the state of preparedness of the member States in the integration process
- Source funds and other resources for the implementation of capital market integration
- Monitor standards and compliance post-integration



The process for integrating the region's capital market started in 2010 with the signing of a Memorandum of Understanding (MOU) by the Stock Exchanges and the regulatory authorities in the region to deepen cooperation, promote mutual assistance, and facilitate the exchange of information and consultation among countries.

The West African Capital Market Integration (WACMI) program, is being pursued as part of the regional integration program in collaboration with the West African Monetary Institute (WAMI)¹.

KEY ELEMENTS OF A SUCCESSFUL MARKET INTEGRATION

- Harmonized Trading, Clearing Depository & Settlement Framework
- Integrated Trading Platforms
- Harmonized Listing & Regulatory Requirement
- Qualified West African Brokers (QWAB) & Common Passport

WHY CAPITAL MARKET INTEGRATION?

The value proposition for integration is essential since the West African sub-region is a strategic geographical footprint within Africa, with a large and diverse population of over 290 million people that translates into a consumer base with significant domestic savings and investing potential. Achieving integration will facilitate momentous growth in the markets, which will empower the region to remain relevant in attracting investment flows, by creating a much larger market for local and international businesses.

Additionally, integration will enable the movement of capital across the region, creating flexibility for issuers and investors.

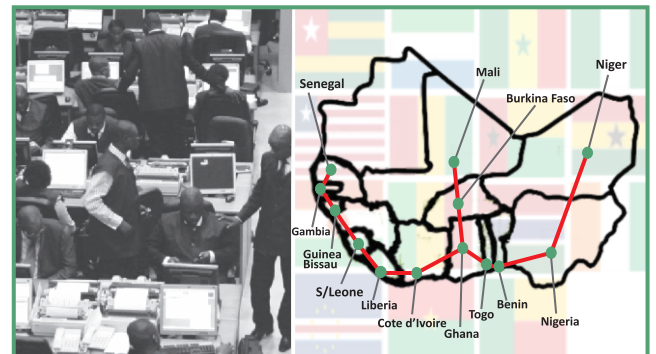
In pursuance of this objective, Technical committee meetings have been held in Cote D'Ivoire, Ghana and Nigeria to develop the required technical framework for the trading and settlement infrastructure as well as the legal framework necessary for seamless integration. Harmonization of listing, trading and settlement rules among member-countries is essential for the integration efforts of the sub-region. The Bourse Regionale des Valeurs Mobilières (which features eight Francophone countries), Ghana Stock Exchange, Nigeria Stock Exchange and Sierra Leone Stock Exchange are the participating markets.

IMPLEMENTATION ROAD MAP

The integration program is in three phases:

Phase 1 - Sponsored Access

Brokers within the member countries can trade securities and settle in markets other than theirs, through local brokers in the other jurisdictions. With signed MOU (recognized regulators in the region) in place, WACMI dealing members (broker-dealers) will be able to trade among themselves via sponsored access. Sponsored Access rules and agreements have been developed and are available on the websites of participating markets.



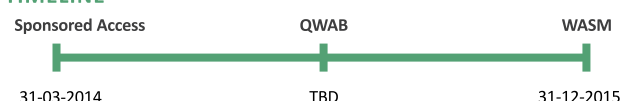
Phase 2 - Integration of Qualified West African Brokers

Brokers who qualify for and receive a common passport will be mutually recognized by WACMI member securities exchanges, securities commissions and depositories. These qualified West African brokers (QWAB) will therefore, be able to participate directly in the markets they wish to deal (trade) in across the West African jurisdictions.

Phase 3 - Fully Integrated West African Capital Market

At this stage, all WACMI member exchanges will be linked in a virtual West African Securities Market (WASM), and QWABs will have access to listed securities and related market information to enable them execute transactions in the region. Issuers will also be able to raise capital across the region.

TIMELINE



¹WAMI was established in 2001 by the Heads of State and Governments of member countries of the WEST African Monetary Zone (WAMZ) to fast track the ECOWAS Monetary Cooperation Program. Members include The Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone.