
SECURITIES AND EXCHANGE COMMISSION, GHANA



‘Ensuring Investor Protection’

SECURITIES INDUSTRY (UNDERWRITER) GUIDELINES 2025

SEC/GUI/003/08/2025

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SECURITIES INDUSTRY (UNDERWRITER) GUIDELINES 2025

In the exercise of the powers conferred on the Securities and Exchange Commission ('hereinafter referred to as the SEC') by Sections 3 and 209 of the Securities Industry Act 2016 (Act 929) as amended by the Securities Industry (Amendment) Act 2021, Act (1062), these Guidelines are issued this 14th day of August 2025, for the licensing or autorisation of Underwriters. The Guidelines shall be effective immediately.

PART ONE: PRELIMINARY

1. Introduction

Underwriters (broker-dealers, issuing houses and licensed underwriters) are to be known as an Underwriter and only those underwriters that meet the minimum capital and liquid capital requirements as required by Securities Industry (Financial Resources) Guidelines, 2025 shall be allowed to underwrite an issue of securities.

2. Scope and application

- (1) These Guidelines shall apply to licensed broker-dealers and issuing houses who wish to underwrite an issue of securities or a licensed underwriter who undertakes an underwriting.
- (2) The SEC may grant an exemption or partial exemption or waiver from compliance with these Guidelines, subject to Section 210 of the Act.
- (3) Where any doubt arises about the meaning of any provision contained in these Guidelines and any other Guideline issued by the SEC, the same shall be referred to the SEC and the interpretation provided by the SEC shall be final

PART TWO: LICENSING

3. Application Process

- (1) Where an issuing house or broker-dealer intends to carry on the business of an Underwriter, it shall submit an application in the prescribed form to the SEC for approval.
- (2) An application for the grant or renewal of a licence to carry on the business of an Underwriter who is neither a broker dealer or an issuing house shall be made to the SEC in the prescribed form and accompanied by such fees as may be prescribed by the SEC.
- (3) An application for a license shall comply with the provisions of the Securities Industry (Licensing) Guidelines 2020.
- (4) The SEC shall consider an application and inform an applicant of its decision within ninety (90) days from the date of receipt of all declarations, complete information and documentation required under these Guidelines.
- (5) The SEC may require an applicant to furnish it with such further information as it considers necessary in relation to the application.
- (6) The SEC shall not refuse to grant an approval without first giving the applicant an opportunity to be heard.

4. Licensing requirements

- (1) Underwriting of securities issues shall be carried out by only those Broker-dealers, Issuing Houses and separately licensed Underwriters who are registered with the SEC
- (2) Such market operators for the purpose of these Guidelines shall be called “Underwriters”.
- (3) An Underwriter shall:
 - (a) meet the minimum capital and liquid capital requirements prescribed under the Securities Industry (Licensing) Guidelines, 2020 and Securities Industry (Financial Resources) Guidelines, 2025.
 - (b) demonstrate the ability to efficiently handle the functions of an underwriter and honour its obligations in accordance with these Guidelines;
 - (c) has the necessary infrastructure including but not limited to adequate office space, equipment, experienced manpower having skill of conducting due diligence of the securities to be underwritten;

PART THREE: UNDERWRITING AGREEMENT

5. Underwriting agreement registration

- (1) An underwriter intending to underwrite an issue of securities shall execute an underwriting agreement with its clients containing at least the terms and conditions specified in Appendix A.
- (2) An Underwriter intending to enter into an underwriting agreement, shall ascertain that the regulatory requirement, if any, relating to its exposure limits on investment in securities are not breached where it is called upon to subscribe for the unsubscribed portion of an issue pursuant to the underwriting agreement.
- (3) An Underwriter shall deposit with the SEC, for registration, a copy of a duly executed underwriting agreement together with a separate document detailing the estimated financial commitment under the agreement where no shares are applied for and allocated to subscribers. The Underwriting agreement shall make provision for:
 - (a) How the Underwriter intends to ensure that it has sufficient liquid capital at all times whilst the Underwriter is under obligation to meet its net underwriting commitment as set out in Section 36 of the Securities Industry (Financial Resources) Guidelines, 2025.
 - (b) A bank guarantee to cover the underwriting obligations under the agreement.
- (4) The SEC, on being satisfied that the applicant’s underwriting agreement is eligible for registration, shall grant a certificate of registration for a period the SEC determines as appropriate to the applicant in Form ‘A’.
- (5) The certificate of registration shall remain valid for the period of registration unless extended or modified at the request of the Underwriter or it is restricted, suspended or cancelled earlier by the SEC. A request for extension of the term of the registration of the underwriting agreement or for modification of its content needs to be given in writing to the SEC seven days prior to the expiry of the registration.

6. Obligation to disclose

An Underwriter shall prior to the entering into an underwriting relationship or signing an agreement, disclose the following to the Issuer:

- (1) Detail of an earlier refusal, if any, by the SEC for registration of an underwriting agreement;
- (2) Detail of any conviction or involvement of the sponsors, directors or employees in the senior management level of the applicant in an offence involving fraud or breach of trust; and
- (3) Detail of any penal action against the applicant or its directors for an offence under the Act or any other Act, Regulation or Ordinance.

PART FOUR: DUTIES AND RESPONSIBILITIES

7. Duties and Responsibilities of an Underwriter

- (1) An underwriter shall-
 - (a) register each new Underwriting Agreement together with the required supporting documents prior to carrying out an underwriting transaction;
 - (b) maintain the agreed level of eligibility criteria provided at the time of underwriting agreement registration specified in Clause 5 (3) (a) and (b) above and notify to the SEC immediately if it ceases to fulfil any of the eligibility conditions prescribed in these guidelines;
 - (c) maintain high standard of integrity and fairness in discharging its functions and its dealings with the issuers or offerors, other underwriters, and third parties in the conduct of its underwriting business;
 - (d) fulfil its obligations in a fair, efficient, transparent and ethical manner;
 - (e) conduct independent due diligence of the securities before underwriting;
 - (f) render high standard of services in performing its functions and obligations as an underwriter;
 - (g) obtain from its employees, an undertaking stating therein that they will not misuse their position of having access to the non-public information, if any, relating to the issue being underwritten for their personal benefit or for the benefits of any other person who does not have or is not authorized to have access to such information;
 - (h) avoid potential conflicts of interest and disclose to the issuers or offerors all possible conflicts of interest including that of its directors, sponsors, management and employees before entering into an underwriting agreement;
 - (i) put in place a mechanism to resolve any conflict of interest that may arise in the conduct of its underwriting business and take reasonable steps to resolve the same in an equitable manner;
 - (j) in the event of being called upon to subscribe to the securities underwritten pursuant to an agreement, subscribe such securities within such time as specified in the underwriting agreement which shall not exceed fifteen (15) days starting from the date of issue of such intimation, notice, invitation by the issuer or offeror, as the case may be;
 - (k) sell the securities subscribed pursuant to the underwriting agreement in the secondary market or to persons other than the directors, sponsors and associates of the issuer or the offeror, as the case may be, in a period of not more than one year from the date of such subscription or in such time period extended by the SEC on written request by the underwriter; and

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- (1) submit any document, report or information as and when required by the SEC.
 - (2) The underwriter shall not-
 - (a) undertake underwritings exceeding its calculated liquid capital (excluding unrealized gain and revaluation surplus) in accordance with clause 36 of the Securities Industry (Financial Resources) Guidelines, 2022 at any time;
 - (b) underwrite the securities issued or offered by its associated companies or associated undertakings;
 - (c) enter into any buy-back or repurchase arrangement with the issuer or offeror or any other person with respect to the securities underwritten by it;
 - (d) derive any undue benefits directly or indirectly, from any underwriting other than the fees or commission payable to it under the underwriting agreement;
 - (e) make any oral or written statement, which would misrepresent its underwriting commitment;
 - (f) disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge in the business relationship with the issuers or offerors;
 - (g) give, directly or indirectly, any investment advice about any security in the media unless a disclosure of its interest in the said security is made, while giving such advice; and
 - (h) wilfully make false statement or conceal any material fact in any document, report or paper furnished to the SEC.

8. Maintenance of books and records by the underwriters.

- (1) An underwriter shall maintain the following records:
 - (a) copies of any underwriting agreements, due diligence reports and other documents pertaining to each issue underwritten;
 - (b) details of issues underwritten by client and the class of securities issued;
 - (c) detail by client and securities issued of amount taken-up or subscribed as its underwriting obligations; and
 - (d) such other records as may be required by the SEC to be maintained.
- (2) An underwriter shall ensure that the record referred to in Clause 8 (1) is maintained and preserved in good order for a period of at least 7 years from the closing of the subscription period or the bidding period if a book building exercise is deployed, as the case may be.
- (3) An underwriter shall-
 - (a) ensure that the record is kept at such place and maintained in such a manner that it is easily accessible; and
 - (b) establish a record retention policy which shall ensure that all relevant legal and regulatory requirements are complied with.

9. Anti-Money Laundering

An Underwriter shall:

- (1) comply with the provisions of Anti-Money Laundering Act 2020 (Act 1044) Anti-Terrorism Act 2008 (Act 762) as amended by Anti-Terrorism (Amendment) Act 2014 (Act 875) and Combating the Financing of Proliferation of Weapons of Mass Destruction

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- (2) designate an officer appropriately as the AML/CFT/CPF Reporting Officer to; inter alia supervise the monitoring and reporting of suspicious transactions and shall put in place a structure that ensures the operational independence of the AMLRO.
 - (3) have a written policy framework that would guide and enable its staff to monitor, recognize and respond appropriately to suspicious transactions including securities underwritten by it.
 - (4) declare its commitment to comply promptly with all requests made pursuant to the law and guidelines and provide information to the SEC, FIC and other relevant competent authorities.
 - (5) comply fully with the SEC/FIC's anti-money laundering/combating the financing of terrorism & the proliferation of weapons of mass destruction (AML/CFT&PF) rules, guidelines, and laws.

PART FIVE: MISCELLANEOUS

10. Penalties

- (1) Where a person breaches or fails to comply with a code, directive, guideline or circular issued by the SEC, the SEC may:
 - (a) take action set out in Section 118, 122 or 123;
 - (b) impose an administrative penalty of not less than fifty penalty units and not more than twenty thousand penalty units; or
 - (c) apply paragraphs (1) (a) and (b) where the SEC considers necessary.
- (2) The SEC may, in addition to the actions taken above, impose any administrative penalty that the SEC considers necessary or take any other remedial action that the SEC considers appropriate in the interests of protecting investors and the integrity of the securities market.
- (3) Where the breach or non-compliance constitutes a criminal offence under any part of the Act or the Regulations, and the accused voluntarily makes an offer of compensation or restitution and reparation in writing to the SEC, the SEC shall, without instituting criminal proceedings under section 207, settle the offence in accordance with this section.
- (4) Sections 209 (6) to (12) of the Act shall also apply in addition to Clauses 7 (1) to (3) in dealing with offences.
- (5) An Underwriter ordered to pay an administrative penalty shall pay the penalty to the SEC within seven days, or such further period as the SEC may specify by notice, after the order has taken effect.

11. Definitions

In these Guidelines, unless the context otherwise requires –

"Act" means the Securities Industry Act, 2016 (Act 929) or any amendment thereof;

"authorized financial institution" means a bank within the meaning of section 156 of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and includes any of its branches;

"broker-dealer" has the meaning given in the Act

“conflict of interest” includes situations in which an underwriter has competing interests which make it difficult for the underwriter to fulfil its duties impartially.

"client", means an issuer or offeror who executes underwriting agreement with an Underwriter

“SEC” means the Securities and Exchange SEC established by the Act;

"issuing house" has the meaning given in the Act ;

"liquid capital", means liquid capital as defined under clause 6 of the Securities Industry (Financial Resources) Guidelines, 2025;

“market operator”, has the meaning given in the Act

"underwriter" has the meaning given in the Act.

“underwriting agreement” means a document executed by a market operator with a client setting out the terms of the proposed agreement in accordance with Appendix A herein.

Appendix A

TERMS OF UNDERWRITING AGREEMENT

The underwriting agreement shall contain all the necessary terms and conditions including the following:-

Underwriting agreement:

- (i) Names of parties to the underwriting agreement, date of the underwriting agreement, role and responsibilities of each party to the underwriting agreement. The underwriter shall render only such services as provided in the underwriting agreement;
- (ii) total size of the issue with breakdown of allocation of securities to various categories of investors, part of the issue required to be underwritten, the offer price of the security or proposed methodology and arrangements for a book-build exercise, and the amount underwritten by the underwriter;
- (iii) the time period for which the underwriting agreement shall be in force and valid;
- (iv) the time period within which the underwriter has to subscribe to the unsubscribed securities after being called upon by the issuer or offeror, as the case may be. In case of under subscription, the period for subscribing the unsubscribed portion should not be more than the time period as mentioned in guideline 5 (1)(j);
- (v) the rate and maximum amount of the SECs payable to the underwriter, if any;
- (vi) conditions under which the underwriting agreement becomes revocable;
- (vii) the time within which modifications and alteration may be made in the underwriting agreement;
- (viii) a clause stating that the underwriting agreement shall not be modified unilaterally, and in any way other than in writing;
- (ix) a clause stating that the underwriting arrangement does not absolve the issuer or offeror, as the case may be, of the obligations and responsibilities placed on it under the Companies Act or any other law for the time being in force.
- (x) a clause stating that the underwriting arrangement is subject to registration by the SEC within 5 business days of execution by the parties.

FORM A

**APPLICATION FOR REGISTRATION OF AN UNDERWRITING AGREEMENT
UNDER THE UNDERWRITER GUIDELINES 2023**

To

The Securities and Exchange SEC
No. 30, 3rd Circular Road, Cantonments, Accra.
(P.O. Box CT 6181 Cantonments, Accra)

Pursuant to the decision of the board of directors (BOD) of [name of applicant] taken in its meeting held on [date of meeting], we hereby apply for registration of a duly completed underwriting agreement between the Company and (name of issuer or offeror) under Clause 5 of the Securities Industry (Underwriter) Guidelines, 2025 (the Guidelines). The underwriting agreement has been completed in accordance with Appendix 'A' of the Guidelines and is attached herewith.

Date:

Signature:

Place:

Name and designation of the chief executive, the company secretary or the chief financial officer duly authorized by the Board of Directors through a resolution to sign and submit application for registration of an underwriting agreement.