

Our Vision

To be a key contributor to Rwanda becoming a competitive financial centre through mobilization of long-term capital

Mission

To nurture wealth by facilitating the development of an orderly, fair, transparent and efficient capital market

Core Values

Good Governance, Knowledge, Creativity and Innovation



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LETTER OF TRANSMISSION

10/12/2014

Amb. Claver Gatete

Minister of Finance and Economic Planning

Dear Honourable Minister,

Re: Submission of 2013/2014 Annual Activity and Financial Report

I have the honour to submit the annual report of the Capital Market Authority for the financial year ended 30th June 2014. The report has been prepared in accordance with the provisions and requirements of Article 17 of the Law No. 11/2011 of 18/05/2011 establishing the Capital Market Authority.

Please be assured of our continued appreciation of your cooperation.

Yours Sincerely,

For Capital Market Authority

Robert Mathu
Executive Director

ABBREVIATIONS

CMA	: Capital Market Authority
BK	: Bank of Kigali
BNR	: Banque Nationale du Rwanda (Central Bank)
BRALIRWA	: Brasserie et Limonaderie du Rwanda
CEO	: Chief Executive Officer
CSD	: Central Securities Depository
EAC	: East African Community
EASEA	: East African Securities Exchanges Association
EASRA	: East African Securities Regulatory Authorities
EDPRS 2	: Economic Development and Poverty Reduction Strategy 2
FSDRP I	: Financial Sector Development and Regionalization Project Phase I
GoR	: Government of Rwanda
ICPAR	: Institute of Certified Public Accountants of Rwanda
ICT	: Information & Communication Technology
IFC	: International Finance Corporation
IFRS	: International Financial Reporting Standards
IMF	: International Monetary Fund
IOSCO	: International Organization of Securities Commission
IPO	: Initial Public Offer
IPSAS	: International Public Sector Accounting Standards
KCB	: Kenya Commercial Bank
MIFOTRA	: Ministry of Public Service and Labour
MIGEPROF	: Ministry of Gender and Family Promotion
MINECOFIN	: Ministry of Finance and Economic Planning
MINICOM	: Ministry of Trade and Industry
MOU	: Memorandum of Understanding
NMG	: Nation Media Group
NUR	: National University of Rwanda

OTC	: Over The Counter
PSF	: Private Sector Federation
RDB	: Rwanda Development Board
RPPA	: Rwanda Public Procurement Authority
RSE	: Rwanda Stock Exchange
RSI	: RSE Rwanda Share Index
RSSB	: Rwanda Social Security Board
SORAS	: Société Rwandaise d'Assurance
US SEC	: United States Securities and Exchange Commission

CORPORATE INFORMATION

Board Members up to July 2014

Mr. Marc Rugenera – Chairman
Ms. Molly Rwigamba - Vice Chairperson
Mr. Grégoire Muramira – Member
Mrs. Henriette Zimulinda – Member
Mr. Vincent Munyeshyaka – Member
Mrs. Yvonne Mukankuranga – Member
Dr. Daniel Ufitikirezi – Member
Mr. Robert Mathu – Executive Director - Member

Physical location and address

5th Floor Ecobank Building
Avenue de la Paix
P. O. Box 6136
Kigali, Rwanda
Telephone: +250 252500332/5
E-mail: info@cma.rw
Website: www.cma.rw

Auditors

RUMA Certified Public Accountants
Printer Set House – 3rd Floor, Avenue de la Paix
P.O. Box 2611
Kigali, Rwanda
Email: info@rumacpa.com
Website: www.rumacpa.com

CHAIRPERSON'S STATEMENT



It is my great pleasure to present the Authority's Annual Report for the year ended 30th June 2014.

Economic Overview

Global economic growth for 2014 was 3.3%, the same level as in 2013, and is projected to grow at an average of 3.5% for 2015 according to the IMF World Economic Outlook (January 2015). After a slowdown in 2013, the Rwandan economy recovered in 2014, growing by 7% in real GDP from 4.7% recorded in 2013 due to good performance in services and industry sectors.

In the EAC region, inflation moderated substantially compared to the previous fiscal year. By June 2014, all countries had inflation below 7%, with Uganda having the lowest at 1.8% followed by Rwanda with 2.1% and Kenya the highest at 6%.

The easing of the financial conditions index in the second half of the fiscal year 2013/2014 benefited the Rwanda Eurobond trading whereby the yield declined by 26.3% from 8.177% at the beginning of July 2013 to 6.028% at the end of June 2014.

Policy Environment

The Government continued to show its strong commitment towards the development of the capital market as a significant strategy to sustain economic growth in the long run. This was confirmed by the resuscitation of the Treasury bond market. The Treasury bond issuance program was announced in February 2014.

The policy environment continued to promote an innovative culture where the International Finance Corporation (IFC) took advantage and issued a five-year bond, dubbed "Umuganda". The bond marked the first placement by a nonresident issuer in Rwanda's domestic capital markets. It is also IFC's first issuance in East Africa under the IFC Pan-African Domestic Medium Term Note Programme, which was launched in May 2012 to support capital market development in the region. "Umuganda" is the local expression for coming together to achieve a shared objective.

The East African Securities Regulators Authorities (EASRA) had been meeting three times per year and adopted a 5year strategic plan on integration of the EAC capital markets in 2014. The capital market integration initiative has been given a momentum by the implementation of the EAC FSDRP I.

In conclusion, on behalf of the Board of the Authority, I wish to acknowledge the direct support received from the Government through the Ministry of Finance and Economic Planning and Cooperation from all our stakeholders. I also wish to express my gratitude to the management and staff of the Authority for their dedication, commitment and continuing contribution in ensuring the Authority's objectives are achieved.

Signature: _____

Date: _____

Staci Warden
Chairperson

EXECUTIVE DIRECTOR'S REPORT



Mr. Robert Mathu – Executive Director

I am glad to forward this report on operations and performance of the Rwandan Capital Market during the year of 2013/2014.

Market Performance

The year 2013/2014, was marked by the revival of activity in the primary bond market. This was mainly driven by the publication of the Government Bond issuance program in February 2014. The program provided for a quarterly issuance. By June 2014, the Government issued one Treasury bond worth Frw 12.5 Billion with a maturity of 3 years. The issue was coupled with extensive public awareness campaign through roadshows across the country. The awareness initiative resulted in increased number of bondholders including retail and international investors. With regard to pricing, book building method was used as opposed to auction which the Government has been using for domestic issuances.

The IFC issued a 5 year local currency bond worth Frw 15 billion marking the first issuance by a non-resident in Rwanda's domestic capital market with proceeds of the bond invested in Rwanda.

With regards to equities, the Authority continued to encourage companies listed on other EAC Securities exchanges to cross list their shares on the Rwandan bourse. It is hoped that the real impact of cross-listing will be felt in the long-run when the regional securities exchanges are fully integrated and networked through electronic platforms for trading, clearing and settlement. Meanwhile, activity will remain low due to limited access by domestic investors to securities cross-listed from the rest of the EAC markets. The other explanation for the low level of activity in cross-listed securities is the absence of ownership of securities introduced into the domestic secondary market without an IPO. This remains an area that will require more work by the intermediaries. In October 2013, Uchumi Supermarket cross listed its shares on RSE making it the 5th company to trade its shares on RSE.

On the secondary market, trading in equities reached Frw 42.6 billion up from Frw 39.2 billion registered in 2012/2013, which was an increase of 9%. The number of shares traded in 2013/2014 was 84.9 million down from 124.2 million traded in the previous financial year, translating into a decrease of 32%. By June 2014, RSE market capitalization stood at Frw 1,399 billion registering an increase of Frw 132 billion from 30th June 2013. On 30th June 2014, the RSE domestic index (RSI) was at 263.94, translating into an increase of 17% from 225.34 at the end June 2013.

The secondary debt market recorded a total turnover of Frw 57million in seven transactions compared to the year before which ended with no transactions. This was a result of the activation of Government bond issuance programme. Secondary trading in the bond market is still partly due to few numbers of bonds in the market to attract institutional investors who traditionally play the key role in maintaining liquidity in the bond market. This will be expected to improve when the new pension Law is published and implemented to spur the emergence and growth of private pensions. Fund managers will be expected to provide liquidity in the secondary bond market. This is a key area of challenge that will require policy intervention.

Legal and Regulatory Framework

The Authority continues to support reforms to the capital markets legal and regulatory framework with the objectives of ensuring that the regulation is optimal as well as fosters the development of a vibrant capital market industry in Rwanda. In the financial year 2013/2014, five regulations and the disclosure guidelines for SMEs were published. In addition, 7 EAC council directives were adopted with a view to harmonize the capital markets legal frameworks of EAC partner States.

While developing the capital market industry as one of the core mandate of the Authority, new licenses were issued to market practitioners. One custodian, one credit rating agency and 2 investment advisory services providers were allowed to operate in Rwanda.

Public Education Program

Under public education, several initiatives were undertaken to educate the public and issuers about the capital market. In 2014, CMA conducted the Capital Market University Challenge 2014, where University students competed in drama, essay writing and TV quiz. CMA also organized public educations sessions targeting different categories of investors which included women, youth, Provincial Investment groups, SACCOs, and civil servants. To educate issuers on raising long capital through the capital market, CMA organized workshops and conducted door to door visits to potential issuers, most of whom were SMEs. Different programs were also aired on TV and Radio.



28th January 2014 – Public education at the Office of Prime Minister

Human Capital Development

The Authority continued to invest in its most valuable asset, the human capital in terms of training and skills development. During the course of the year, some CMA employees undertook courses both locally and abroad as part of our strategy to expose them to international capital markets best practices. Professional growth of employees will continue to form part of a strategy to attract and maintain good quality staff.

The Authority's Financial Position

The Authority's financial position is provided in the audited statements for the year ended 30th June 2014.

Conclusion

The capital market is finally taking shape with the development of the market ecosystem. The Authority continues to build on the existing legal framework to ensure that the ultimate aim of accessing both the private and public sector to long term financing is achieved. As we facilitate the mobilization of capital and business into the market, more focus will also be driven towards the real sector to make sure that the capital market ecosystem is responsive to the needs of the stakeholders most prominent of whom are savers, investors, business and the public.

We thank all our stakeholders in public and private institutions for the support we have continued to receive and look further to strengthen this cooperation in the years ahead. We extend our gratitude to the Board of Directors of CMA for their wise counsel, and positive engagement during the year. The management also wishes to thank the outgoing Board members who steered the Authority from a humble beginning in 2007 to July 2014. Equally, the management wishes to welcome the new Board members and look forward to their leadership and stewardship. I also commend the entire team at the Authority for the hard work and commitment throughout the year 2013/2014.

Signature: _____

Date: _____

Robert Mathu
Executive Director

CORPORATE GOVERNANCE REPORT

Under the CMA Act of 18th May 2011, The Authority's Board of Directors is the Governing and Decision making organ. It is responsible and accountable to the Government of Rwanda through the annual performance contract that the Chairman of the Board signs with the Hon. Minister of Finance and Economic Planning.

There are eight (8) members of the board all of whom, except the Executive Director, are non-Executive Directors. The members possess a broad range of skills and competences, including legal, financial, banking, economics, accounting and general management. The Board meets quarterly and can meet as frequently as need rises within the confines of the law. The management under the Executive Director is responsible for the day-to-day administration of CMA activities and report to the Board during all board proceedings.

BOARD MEMBERS EFFECTIVE JULY 2014

On 29th July 2014, the cabinet appointed a new Board whose members are:

Staci Warden



Ms Staci Warden – Chairperson

Staci Warden is the Executive Director of the Center for Financial Markets at the Milken Institute, where she leads initiatives on strengthening capital markets, access to capital, financial education and financial-markets solutions, among others.

Warden is chair of the Rwandan Capital Markets Authority. Prior to joining the Milken Institute, she spent six years with JP Morgan in London, where she ran JP Morgan's Central Bank client franchise in Europe, Eurasia and Africa, and two years in New York as part of the sovereign-debt-restructuring deal team.

Before joining JP Morgan, she was a director at the NASDAQ, where she led their two initiatives for micro-cap companies, the BBX and the OTCBB.

Mr Eric Rwigamba - Vice Chairperson



Eric Rwigamba is the Director General of the Financial Sector Development Directorate (FSDD) at the Ministry of Finance and Economic Planning (MINECOFIN) and the Country Manager of Access to Finance Rwanda.

Before joining the Ministry, he worked for GROFIN Rwanda as the Country Manager.

Rwigamba has vast experience in the development of financial policies and strategies and SMEs financing.

He holds an MBA degree in Finance from the Oklahoma Christian University and a bachelor of Commerce/Finance from Makerere University.

He is also a member of the Association of Chartered Certified Accountants – ACCA (UK)

Ms Chantal Kasangwa – Member



Chantal Kasangwa is the Director General of Operations Directorate at the Central Bank of Rwanda (BNR). She oversees the department of Financial Markets, the Department of currency and Bank operations, the Central Securities Depository (CSD) Division and the Automated Transfers System.

She was the Director of Financial Markets Department at BNR where her responsibilities included among others implementing BNR's monetary policy, issuance and management of the Government's debt securities, management of the country's foreign reserves and formulation and implementation of the exchange rate policy.

Ms. Kasangwa holds a Master's Degree in Economics from the University of Rwanda.

Mr Ibrahim Sagna – Member



Ibrahim Sagna serves as Managing Partner of Century Private Investments. Century is the Investment Manager of Century Capital Holdings, an Africa-centric investment holding focused on Private Equity, Asset management and investment advisory.

Ibrahim has been serving as a Senior Advisor to the Government of Rwanda and as Board Director on the Capital Market Authority of Rwanda. He advises a few boards and has over fifteen years' experience managing private investments and entrepreneurial ventures across Africa and key Emerging Markets. Throughout his career, he has been involved in landmark African transactions such as Celtel International (today Bharti Airtel Africa), Safaricom, PanAfrican Energy (now part of Addax) and First Bank Zambia. His professional experience includes Merrill Lynch, the IMF, Emerging Markets

Partnerships (EMP Global), and The Resource Group (TRG) in the US, Millenium Global Investments in Europe and the Central Bank of West Africa (BCEAO) in Africa.

He holds a Bachelor degree and a Master of Finance from Boston College and has been sponsored to management programs both at Harvard Business School and London Business School.

Mr Eric Rutabana – Member



Eric Rutabana is the Rwanda Country Manager of Business Partners International (BPI) Rwanda SME Fund, a wholly owned subsidiary of Business Partners Limited – a specialist risk investment group for formal Small and Medium Enterprises (SME's) in Africa. He is responsible for Investment Strategy and Policy oversight, due diligence (including identification, negotiations and closing) on investee companies, Investment Portfolio Management and Monitoring as well as final exit thereof. He set up the operations of Business Partners in Rwanda and has occupied this position since June 2011. Before then, he was Head of Credit at KCB Bank Rwanda from August 2009 where he set up the credit infrastructure for the Bank that had just joined the Rwandan market. Before joining KCB, Eric performed various duties at Banque Commerciale du Rwanda (BCR) – now I&M Bank (Rwanda) Ltd. including Corporate Banking Manager, Leasing Manager, Corporate

Relationship Manager and Credit analyst where he started his banking career in April 2004.

Mr. Rutabana holds an MBA Finance from Maastricht School of Management, Maastricht, the Netherlands and a BBA – Finance degree from the National University of Rwanda.

Ms Katia Manirakiza – Member



Katia Manirakiza is a professional lawyer with 12 years of experience in Europe and Africa. She started her career in 2001 as a Tax and VAT Advisor in International firms in Luxembourg and Belgium. In 2006, she moved to Rwanda where she joined a law firm based in Kigali as a Senior Associate. Since 2008, she has been involved in various consultancies in different fields in particular for the Government of Rwanda (Tax Expert for the Ministry of Finance and Economic Planning of Rwanda, Consultant for the Rwanda Development Board (RDB), for Public institution (Development of a real estate project for the French Embassy in Rwanda, IFC Gender analysis of Legal and Regulatory Environment for Women in Business, tax project for UNDP).

In 2013, she joined Ecobank Rwanda Ltd as Head, Legal and Company Secretary where she is in charge of giving general legal advice to the Bank as well as ensuring general company secretarial works.

Katia Manirakiza is bilingual (French and English) and holds a Law degree from Catholic University of Lille in combination with the Nottingham University (Erasmus Program) as well as a Master degree in Tax Management from Lille Graduate School of Management, France.

Mr. Robert Mathu - Executive Director



Robert Mathu is the Executive Director of CMA. He started his career at the Nairobi Stock Exchange (NSE) in 1990 where he worked through the initial transformation of the NSE .

He was also involved in setting up of the Dar-es-Salaam Stock Exchange operations as the Technical Advisor.

He also assisted in the establishment of the Uganda Securities Exchange in 1996. He worked as a stockbroker in Nairobi for three years before taking up his current assignment in Rwanda.

Robert Mathu has an MBA in International Banking and Finance from the University of Birmingham UK, Bachelor's degree in Commerce from the University of Nairobi.

BOARD COMMITTEES

The Authority's Board exercises its oversight role through a governance structure comprising of various committees namely:

- Audit and Finance committee
- Human Capacity and manpower committee
- Public Offers and Complaints Committee.

All Board committees are governed by terms of reference developed by the board and are mandated to make recommendations to the board on all matters under their consideration.

In terms of composition, the committees comprise of board members with pertinent expertise in the various areas in order to maximize technical capability at the committee level, where issues are dealt with in depth. Each committee determines its own procedures. The function and structure of the committees for the year under review are described below.

- **Audit and Finance Committee:** The Committee deals with all the issues related to the budget, audit of CMA finances, budget expenditures and all issues related thereto.
- **Human Capacity and Manpower Committee:** This Committee is charged with the issues related to capacity building for both the Management and the Board, Public education, discipline of CMA staff, recruitment and promotion of junior staff and other issues that the Board may delegate to this committee.
- **Public offers & Complaints Committee:** This committee is charged with the issues of Initial Public Offerings, Evaluation and approval of prospectuses, licensing of market players, listing, complaints emanating either from the market players, investors or CMA and enforcement of CMA actions as provided for by the laws and other issues that the board may delegate to this committee.

THE MANAGEMENT TEAM OF CMA



ne 2014



Capital Market Authority



Mr. Robert C. Mathu
Executive Director



Mr. Eric Bundugu
Deputy Executive Director



Ms. Carine Twiringiyimana
Financial Analyst



Mr. Charles Furaha
Legal and Corporate
Affairs Manager



Ms. Aline Karegire
Finance and Administration
Manager



Mr. Maurice Rwamigabo
ICT Manager



Ms. Vanice Busingye
Market Supervision and
Inspection Manager



Mr. Emmanuel Mugiraneza
Public Relations Manager

Annual Report for the year ended 30th June 2014



Capital Market Authority

RESPONSIBILITIES OF THE CAPITAL MARKET AUTHORITY

The Capital Market Authority (CMA) was established by law No. 11/2011 of 18 May 2011. This law determines its mission, powers, organization and functioning. CMA has legal personality, administrative and financial autonomy and is governed in accordance with the laws governing public institutions. The main mission of CMA includes the following:

- To implement the Government policy on the capital market;
- To prepare draft policies on capital market;
- To advise Government on policy relating to the capital market;
- To promote public awareness on the capital market and develop it;
- To elaborate action plans and conduct studies in order for CMA to achieve its mission;
- To formulate principles and regulations for the capital market;
- To make regulations governing capital market business in accordance with the Law regulating capital market in Rwanda;
- To control and supervise all capital market activities with a view to maintain proper code of conduct and acceptable practices on the capital market ;
- To register capital market business and related instruments provided for by the Law regulating capital market in Rwanda;
- To issue, suspend, and withdraw licenses and approvals related to capital market business;
- To seek to achieve fairness, efficiency and transparency in the functioning of the capital market;
- To protect citizens and investors in capital market from unfair and unsound practices or practices involving fraud, deceit, cheating or manipulation;
- To monitor, supervise, and take actions with regard to the compliance with this Law and regulations thereto related as well as with the Law regulating capital market in Rwanda and regulations thereto related;
- To co-operate and collaborate with other regulatory bodies in accordance with the provision of the Law regulating capital market in Rwanda;
- To consult concerned organs prior to making any decision to modify principles and regulations of the profession that may have an impact on the functioning of the capital market;
- To keep adequately, and timely records of decisions made in the accomplishment of CMA mission;
To accomplish any other mission assigned by the Law regulating the capital market in Rwanda;

ACTIVITIES OF THE AUTHORITY

DEVELOPMENT OF LEGAL AND REGULATORY FRAMEWORK

1. Regulations

In the financial year 2013/14, the Authority continued with its mandate of developing laws and regulations to promote development of the industry and enhance investor protection. The Authority put much emphasis on developing regulations that would enable implementation of the law No01/2011 of 10/02/2011 regulating Capital Market in Rwanda. In the year under review the following laws and regulations were enacted:

- 1. Regulation on real estate investment trusts:** The purpose of this regulation is to provide better access to stable, global and more competitively priced capital, as well as stronger and more professional property businesses.
- 2. Regulation on asset backed securities:** This Regulations is aimed at regulating the public offer of Asset Backed Securities in Rwanda as a way of enhancing corporate financing and investor protection as the same time.
- 3. The Capital Market disclosure guidelines for the public offer of securities for the SMEs in Rwanda.** These disclosure guidelines are meant to facilitate and make it possible for Small and Medium Enterprises to raise capital through the capital market by creating a special segment for them to raise funds and their shares to be tradable with ease.
- 4. Regulation for issuance of Capital Market Debt Securities:** The purpose of this Regulation is to regulate the public offer of Capital Market Debt Securities in Rwanda by setting minimum disclosure standards that companies should comply with in order to borrow funds from the public.
- 5. Guidelines for issue of municipal bonds in Rwanda:** These guidelines are meant to guide Municipalities on how to raise funds through the issuance of Municipal bonds and thus providing an alternate funding mechanism for Municipalities raise funds that may be used to develop different projects that are financially viable.
- 6. Regulation on book building process:** This regulation is meant to guide both issuers and their advisors who wish to offer securities to the public or a section of the public to use a book building process as a measure to determine the price for the offer of securities in accordance with the requirements prescribed in the Regulation.

1. EAC Council Directives

Capital markets in the EAC agreed to harmonize their legal framework by way of council directives where countries are supposed to transpose them into their legal frameworks. In the period under review, seven EAC council directives were drafted, considered and adopted.

The directives include the following:

1. Directive of the EAC on Public Offers (Equity) in the securities market
2. Directive of the EAC on Public Offers (Debt) in the securities market
3. Directive of the EAC on Asset Backed Securities (ABS)
4. Directive of the EAC on Collective Investment Schemes (CIS)
5. Directive of the EAC on Corporate Governance for Securities Market Intermediaries
6. Directive of the EAC on Regional listings in the Securities Market
7. Directive of the EAC on admission to trading on a secondary exchange

2. Licensing

During the year, the Authority issued new licenses to the following:

- BK Custody to offer custodial services
- Agosto & Co to offer Credit Rating services
- Aims Capital to offer investment advisory services
- DKB markets to offer investment advisory services

3. New Issues Approved

- Bond issuances approved
- The Authority further approved the bond issuance for the East African Development Bank (EADB) to issue a multi- currency denomination Bond in Rwanda and International Finance Corporation (IFC) to issue a Pan African Bond.
- Equity issuance approved
- The Authority approved the cross listing of Uchumi Supermarket ordinary shares on the Rwandan Market.

4. Training on the legal and regulatory framework

In the year 2013/2014, the Authority conducted trainings and workshops on the existing laws and regulations to enable market players and other potential stakeholders get familiar with the laws and regulations in place.

The trainings include:

- Market intermediaries on conduct of business
- New 15 EAC Council directives
- Draft Law on Commodities and Derivatives Exchange trading

The above trainings brought together over 200 participants.

MARKET DEVELOPMENT

1. Equity Primary Market

In the year ending June 2014, the market registered one cross listing. On 14th October 2013, UCHUMI Supermarket cross listed its 265,426,614 ordinary shares on the Rwanda Stock Exchange making it the 5th company to trade its shares on the Rwandan bourse.

2. Bond Primary Market

In a bid to develop the Rwandan bond market, the Government of Rwanda published its bond issuance program in February 2014, where it will be coming to the market every quarter. In that spirit a 3year Treasury bond with a face value of Frw 12.5 billion was issued in February 2014. This bond was subscribed for at a level of 240% signaling investor confidence in the outlook for Rwanda's currency and economy. To price the bond, book building method was used and the bond was priced at a fixed 11.475% coupon rate with an average yield of 11.625%

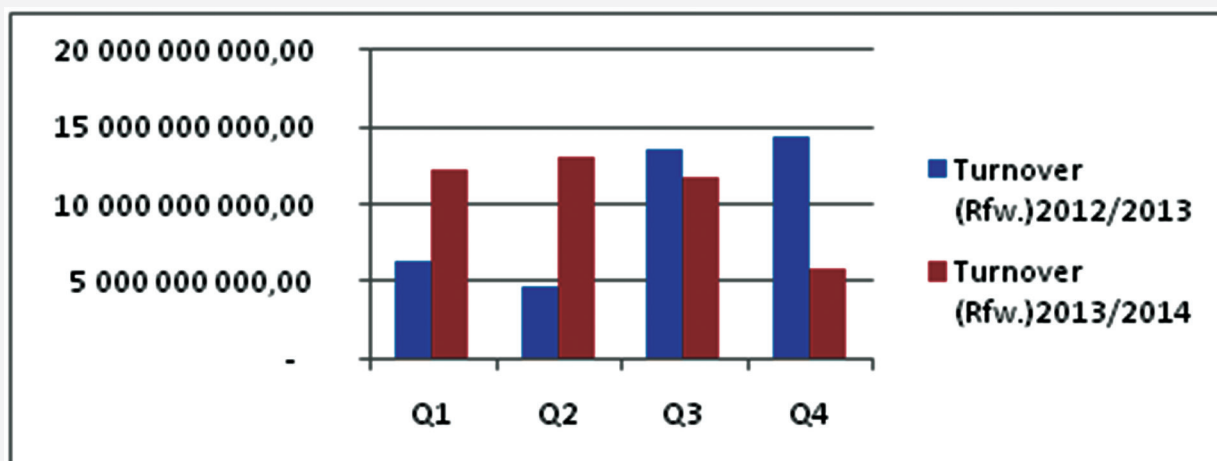
With regard to corporate bond market, IFC issued, in May 2014, a 5 year Bond worth Frw 15 billion. The five-year bond, dubbed "Umuganda," marks the first placement by a nonresident issuer in Rwanda's domestic capital market. It is also IFC's first issuance in East Africa under the IFC Pan-African Domestic Medium Term Note Programme, which was launched in May 2012 to support capital market development in the region. "Umuganda" is the local expression for coming together to achieve a shared objective.

IFC bond is the second corporate bond in the Rwandan market following 2008 issuance by I&M Bank (Former BCR). The bond was designed to appeal to a broad range of domestic and international investors looking to diversify their portfolios. The order book was 2.19 times oversubscribed. Orders were received from Rwandan pension funds, international and domestic asset managers, insurance companies, and banks. The bond was issued at par and priced with a yield of 12.25% percent per annum.

3. Secondary Equity Market

In the financial year ended June 2014, the secondary market for equities recorded an increase of 9% in the value of shares traded reaching Frw 42.6 billion up from Frw 39.2 billion recorded in the year 2012/2013. The number of shares traded in 2013/2013 dropped by 32% compared to the previous year as 84.9 million shares were traded as opposed to 124.2 million shares traded in the previous financial year. 1,652 transactions were registered in 2013/2014 while the year before recorded 1,873 deals. By 30th June 2014, the RSE market capitalization stood at Frw 1,399 billion compared to a market capitalization of Frw 1,261 billion as of 30th June 2013. The increase of Frw 138 billion in market capitalization resulted from the cross listing of Uchumi shares on RSE and changes in shares prices of listed securities.

TRADING STATISTICS



Source: Rwanda Stock exchange (RSE)

MARKET PERFORMANCE TRENDS

Equity Market Price List

Date:30/06/2014		2013/2014 prices				Shares traded (million)	Turnover (Frw billion)
ISIN -CODE	Security	High	Low	Closing	Previous		
RW000A1JCYA5	BOK	200	125	294	193	49	12.8
RW000A1H63N6	BLR	870	340	455	865	35.9	29.8
KE0000000315	KCB	169	135	185	169	0.004	0.001
KE0000000380	NMG	-	-	1200	1200	-	-
	USL	175	165	175	175	0.015	0.002
Total shares traded in million		Equity Turnover in billion (Frw)		Total Deals			Change (in Frw)
2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	30/06/2014	This year
49	87.8	12.8	13.5	827	825	F r w / USD:682.5	BOK +101
35.9	36.4	29.8	25.6	710	1,040		BLR N/A
0.004	0.006	0.001	1	3	8	Frw/KSh:7.8	KCB +20
-	-	-	-	-	-		NMG -
0.015	-	0.002	-	12	-		USL -

Source: RSE

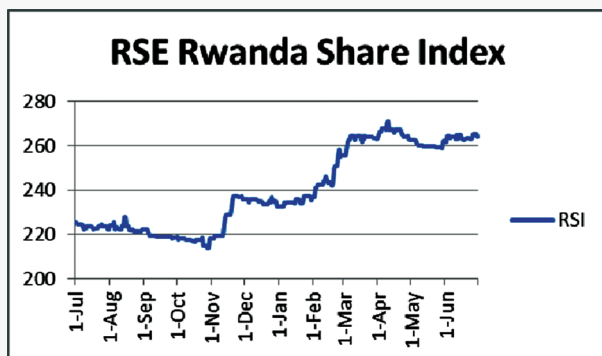
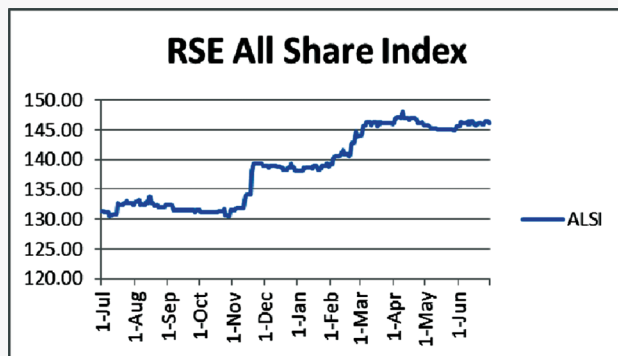
Note: BRALIRWA had a bonus issue of 1:1 in May 2014 which resulted in a big change in its share price.

Annual Report for the year ended 30th June 2014

RSE INDICES AND MARKET CAPITALISATION

INDEX	30/06/2013	30/06/2014	Points change	% change
RSE Rwanda Share Index(RSI)- base date 2 nd January 2012	225.34	263.94	+38.6	+17%
RSE All Share Index(ALSI)-base date 2 nd January 2012	131.35	146.19	+14.84	+11%
Market Capitalization (Mkt cap.)	Frw1,261 billion	Frw 1,399 billion	+Frw 138billion	+11%

Source: RSE



Source: RSE

1. Secondary Bond Market

In the period under review, the secondary market for bonds registered a total turnover of Frw 57 million in 7 transactions compared to the previous financial year which ended with no transaction.

2. Outstanding Bonds as of 30th June 2014

Treasury Bonds

Security	Maturity	Tenor	Face value	Coupon Rate (%)	YTM (%)	Subscription level
FXD1/2014/3yrs	24/02/2017	3years	Frw 12.5 billion	11.475	11.625	240%
FXD2/2011/5yr	30/09/2016	5years	Frw 2.5 billion	11.25 fixed	11.15	-
FXD4/2010/5yr	19/11/2015	5years	Frw 3.5 billion	11 fixed	11.13	-

Corporate Bonds

Security	Maturity	Tenor	Face value	Coupon Rate (%)	YTM (%)	Subscription level
I&M	25/01/2018	10years	Frw 1 billion	10.5	-	-
IFC	16/05/2019	5years	Frw 15 billion	12.25	12.25	319%

PUBLIC EDUCATION AND AWARENESS ON CAPITAL MARKET

Public education is one of the key roles of the Capital Market Authority. In this regard, CMA tirelessly worked hard for the Rwandans to understand the role and purpose of the capital market in fostering their economic development. The following activities were done in the period under review:

1. Participation in Rwanda International Trade Fair 2013

In order to educate issuers and investors on saving and investing through the capital market CMA participated in the Rwanda International Trade Fair (RITF) 2013 that took place between July 24, 2013 and August 7, 2013. A total of 1,113 people including exhibitors visited the Stand of the Capital Market Authority. CMA used the trade fair to educate the public on saving and investing through the capital market. CMA was awarded the best Customer Care Service Award by the PSF during the RITF 2013.

2. AfDB conference trade fair in May 2014

CMA also participated in the AfDB(African Development Bank) Conference Trade Fair in May 2014 to show case the policies, products and services at the Rwanda Capital Market. 321 people visited the CMA stand and were sensitized about the Rwanda Capital Market and how it is helping to promote the culture of savings, empower nationals of Rwanda and accelerate economic development through Capital Markets.

3. Road show on the T-bond

CMA joined the team of BNR and MINECOFIN for the Road Shows of the T-Bond issued in February 2014. In total the Road Show covered 17 districts. As a result, the Frw 12.5 billion 3 year Treasury Bond was subscribed for at a level of 240%. This is an indication that the level of awareness among issuers, investors especially retail investors is increasing and investor confidence is growing.



20th February 2014 – Road show for the T-Bond in Rusizi District in February 2014

4. Sensitization on municipal bond issuance

The sensitization on Municipal Bond happened from 24th September 2013 up to 16th October 2013 where 180 officials from 30 districts were sensitized on the issuance of municipal bonds as an alternative source of financing to Local Governments. The objective of the workshops was to educate and guide local governments' officials on how to raise funds through the issuance of bonds as an additional tool to mobilize funding for development projects. From the workshops Districts officials identified projects from every district that could be considered for financing through the issuance of municipal bonds.



27th February 2014 – Public education for women members of Agaseke Handcraft Project at Kimisagara Youth Centre

5. Public education in public institutions

CMA conducted public education and awareness campaigns in different institutions as follows:

- 48 people attended the public education on capital market, Collective Investment Schemes Collective Investment Scheme (CIS) and Unit Trust for the Staff and management in the Office the Prime Minister.
- 32 people attended the public education on capital market, CIS and Unit Trust for the Staff and management of the Parliament - Chamber of deputies.
- 60 people attended the public and awareness on capital markets, CIS and Unit Trust for the staff and management of MIFOTRA.



07th February 2014 – Public education at the Ministry of Trade and Industry

- 46 people from the Staff and management of the Ministry of Commerce, Ministry of Foreign Affairs together with staff and management of the Ministry of East African Community were educated about capital markets.



06th February 2014 – Public education at the Ministry of Public Service and Labour

- 66 people attended the public and awareness on capital markets, CIS and Unit Trust for the staff and management of MIGEPROF.



16th October 2013 - workshop on Municipal Bond issuance for Local Governments for officials of the 3 districts of Kigali City at Gorilla Hotel Nyarutarama

6. Savings week

CMA participated in the National Savings week that happened between 31st October up to 11th November 2013. The special savings week was under the theme “Savings for self-reliance” was dedicated towards reminding and educating Rwandans on the importance of saving and to be responsible for their financial future in particular and the country’s economy in general. CMA arranged 11 Radio Programs during the savings week to educate Rwandans how they can save and invest through the capital markets.

7. Capital Market University Challenge 2014

CMA organized the University Challenge 2014 as an engaging competition for students at universities and other higher institutions of learning in Rwanda. 660 students participated in that program.

The 2014 University Challenge focused on testing the participants' knowledge and understanding of capital markets and financial issues to attract them to know the culture of saving at early age.



8th March 2014 – Capital Market University Challenge 2014 at Kigali Independent University, ULK

The Activities of the Challenge include the TV Quiz, essay writing and drama competitions. 27 Rwandan Universities participated in essay writing, 13 in Drama and 12 in TV Quiz. The winners of the challenge were awarded shares in listed companies at the Rwanda Stock Exchange. Afterwards, CMA helped in the establishment of 4 investment clubs for University students in ULK, INES Ruhengeri, Adventist University of Central Africa (AUCA) and the College of Education – NUR attended the presentation on capital market to encourage students to start saving at earlier age.

8. Public education for women and youth leaders

CMA sensitized 216 women and 150 youth leaders in Kigali about the benefits of saving and investing through the capital market. The subject of interest in this campaign included collective investment schemes and Unit Trusts.



13th February 2014 – Public education for youth at Gorilla Hotel Nyarutarama



13th February 2014 – Public education for women leaders in Kigali City at Hill Top Hotel

9. In-house presentations for secondary and university students

CMA received different secondary and university students to educate them on the benefits of saving and investing through the capital markets as follows:

- 72 secondary school students from Green Hills academy,
- 5 students from Mount Kenya,
- 12 committee members of the investment Club members of the College of Education – NUR attended the presentation on capital market
- 88 students from the college of Agriculture, animal husbandry and veterinary medicine -NUR attended the saving and investing awareness program at RSE and CMA.



12th September 2013 - in-house presentations for Green Hills academy students

10. Districts investment forums

CMA participated in the Districts investment forums and conducted public education for investors in the 5 Districts of Muhanga, Huye, Gasabo, Nyarugenge and Kicukiro to once again educate and guide local governments' officials on how to raise funds through the issuance of bonds as an additional tool to mobilize funding for development projects. CMA also conducted a sensitization program for 8 Provincial Investment Groups on how they can access funding through the capital market.



28th May 2014 – Public education at the District Investment Conference at Huye District.

11. Workshops and Seminars

CMA conducted workshops and seminars on different products as follows:

- Workshop on Commercial paper was attended by 41 people mainly from the hotels and other segments of the hospitality industry.
- Workshop on Credit rating was attended by 44 people from the financial sector institutions in Rwanda.



3rd October 2013 - workshop on Municipal Bond issuance to Local Governments officials of the Western Province in Rusizi District.

12. Door to Door visits to potential issuers

To encourage issuers to come to the market; CMA has identified 31 potential issuers including Banks, insurance companies, telecommunication companies, and others which are potential to float their shares to the public. The Authority visited 13 issuers and shall continue to engage them in order to float their shares at the capital market.

13. Training of journalists on capital market business reporting

CMA organized training for 66 journalists on capital market business reporting. The aim of the training was to equip them with knowledge on capital markets order expand the network of professionals who can help in raising awareness on capital markets.



28th January 2014 – Public education at the Parliament

14. Radio & TV Programs

CMA used the media to educate the general public on the benefits of saving and investing through the capital markets as follows:

- 25 Radio programs were aired on different radio stations,
 - 18 TV programs were presented at RTV(Rwanda Television),
- 46 articles appeared in two editions of Bull and Bear Magazine, The Service Mag, and African economies, and other journals and newspapers.

MARKET SUPERVISION AND INSPECTION

In the year under review, CMA established a new department in charge of market supervision and inspection. The department is responsible for supervising the market players to ensure compliance with laws, regulations and guidelines for smooth and effective operation of the capital market.

REGIONAL INTEGRATION EFFORTS

In the financial year ended June 2014, under regional integration efforts, CMA participated in EASRA meetings held in Nairobi and Bujumbura and even hosted one in Karongi in December 2013. The Authority also attended different meetings organized by the EAC secretariat in relation to capital market integration.

HUMAN RESOURCE AND ADMINISTRATION

Staffing

During the year, the Authority recruited 3 staff members. Mr. Eric Bundugu Joined CMA as a Deputy Executive Director, Ms. Aline Karegire as Finance and Administration Manager and Mr. Maurice Rwamigabo as ICT manager. The Authority also hired Ms. Vanice Busingye to head a newly established department of Market Supervision and Inspection who was previously acting in the capacity of the Finance and Administration Manager.

Capacity building

The Authority supported staff training initiatives and skills development through locally arranged training programs and regional or international ones depending on the required skills. The following trainings were undertaken in the year under review: 3 staff members attended bond trading training organized by SITI in conjunction with RSE, 2 members trained on presentation of Financial statements through IFRS and IPSAS in a workshop organized by ICPAR, One staff member attended the US SEC International Institute for Securities market development acceptance course organized by the US SEC, 2 staff members attended project management course organized by RPPA. All CMA staff members attended the training on Risk Based Supervision organized by the EAC secretariat.

THE AUTHORITY'S FINANCIAL POSITION

The Authority's financial position is provided in the audited statement for the period ended June 30th, 2014. The Authority is fully funded by the Government of Rwanda.

Capital Market Authority (CMA)

Audited Financial Statements
For the year ended 30 June 2014

October 2014

Organisation Information

Brief description of the Capital Market Authority (CMA)

The Capital Markets Authority (CMA) was established by law No. 11/2011 of 18 May 2011 establishing the Capital Market Authority (CMA) and determining its mission, powers, organisation and functioning. Previously it had been operating as Capital Markets Advisory Council (CMAC) which had been established by the Prime Minister's order No. 01/03 of 28 March 2007. CMA has legal personality, administrative and financial autonomy and is governed in accordance with the laws governing public institutions. The main mission of CMA includes the following:

- to implement the Government policy on Capital Market;
- to prepare draft policies on capital market;
- to advise Government on policy relating to the capital market;
- to promote public awareness on the capital market and develop such market;
- to elaborate action plans and conduct studies in order for CMA to achieve its mission;
- to formulate principles and regulations for the capital market;
- to make regulations governing capital market business in accordance with the Law regulating capital market in Rwanda;
- to control and supervise all capital market activities with a view to maintain proper code of conduct and acceptable practices on the capital market ;
- to register capital market business and related instruments provided for by the Law regulating capital market in Rwanda;
- to issue, suspend, and withdraw licenses and approvals related to capital market business;
- to seek to achieve fairness, efficiency and transparency in the functioning of the capital market;
- to protect citizens and investors in capital market from unfair and unsound practices or practices involving fraud, deceit, cheating or manipulation;
- to monitor, supervise, and take actions with regard to the compliance with this Law and regulations thereto related as well as with the Law regulating capital market in Rwanda and regulations thereto related;
- to co-operate and collaborate with other regulatory bodies in accordance with the provision of the Law regulating capital market in Rwanda;
- to consult concerned organs prior to making any decision to modify principles and regulations of the profession that may have impact on the functioning of the capital market;
- to keep adequately, and timely records of decisions made in the accomplishment of CMA mission; and to accomplish any other mission assigned by the Law regulating capital market in Rwanda.

Annual Report for the year ended 30th June 2014



Capital Market Authority

Principal place of activity

Ecobank Building, Avenue de la Paix
P.O. Box 6136,
Kigali, Rwanda.

Banker

National Bank of Rwanda
Kigali, Rwanda.

Board members

The board members who served by the time of this review were:

Staci Warden	Chairperson
Eric Rwigamba	Vice Chairman
Chantal Kasagwa	Board Member
Ibrahim Sagna	Board Member
Eric Rutabana	Board Member
Katia Manirakiza	Board Member
Robert Mathu	Board Secretary

Management team

The management who held office by the time of this review were:

Robert Mathu	Executive Director
Eric Bundugu	Deputy Executive Director
Charles Furaha	Legal & Corporate Affairs Manager
Aline Karegire	Finance and Administration Manager
Vanice Busingye	Market Supervision and Inspection Manager
Carine Twiringiyimana	Financial Analyst
Emmanuel Mugiraneza	Public Relations Manager
Maurice Rwamigabo	Information and Technology Manager

Auditors

RUMA Certified Public Accountants
Printer Set House – 3rd Floor, Avenue de la Paix
P.O. Box 2611
Kigali, Rwanda
Email: info@rumacpa.com
Website: www.rumacpa.com

Annual Report for the year ended 30th June 2014

Statement of the management's responsibilities

Article 66 the Organic Law N° 12/2013 of 12/09/2013 on State Finances and Property requires budget agencies to submit annual reports which include all revenues collected or received and all expenditures made during the fiscal year, as well as a statement of all outstanding receipts and payments before the end of the fiscal year.

Article 19 of the Organic Law N° 12/2013 and Article 09 and Article 11 of Ministerial Order N°002/07 of 9 February 2007 further stipulates that the Chief Budget Manager is responsible for maintaining accounts and records of the budget agency, preparing reports on budget execution, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the budget agency effectively, efficiently and transparently, ensuring sound internal control systems in the budget agency and safeguarding the public property held by the budget agency.

The Chief Budget Manager accepts responsibility for the annual financial statements, which have been prepared using the “modified cash basis” of accounting as defined by Article 2 (20) of the Ministerial Order N°002/07 of 9 February 2007 relating to Financial Regulations and using appropriate accounting policies supported by reasonable and prudent judgements and estimates.

These financial statements have been extracted from the accounting records of CMA and the information provided is accurate and complete in all material respects. The financial statements also form part of the consolidated financial statements of the Government of Rwanda.

In the opinion of the Chief Budget Manager, the financial statements give a true and fair view of the state of the financial affairs of CMA. The Chief Budget Manager further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, ensuring adequate systems of internal financial control and safeguarding the assets of the budget agency.

Robert C. Mathu
Executive Director

Independent auditor's report

To the management of the Capital Market Authority (CMA)

We have audited the financial statements of the Capital Market Authority (CMA), set out on pages 5 to 13, which have been prepared on the basis of the accounting policies set out on page 8. We obtained all the information and explanations which we considered necessary for our audit.

Responsibilities of management

The Management of the Capital Market Authority (CMA) is responsible for the preparation of financial statements, which give a true and fair view of the state of affairs of the authority and of the operations for the period.

Responsibilities the independent auditors

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. The Auditing Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, proper books of accounts have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of financial affairs of the Capital Market Authority (CMA) as at 30 June 2014 and its deficit for the year then ended in accordance with Government of Rwanda financial reporting framework.

Peter Rutaremara
Managing Partner

RUMA Certified Public Accountants

Date _____

Financial Statements for the year ended 30 June 2014

Statement of income and expenditure for the year ended 30 June 2014

	Note	Year ended 30 June 2014 RwF	Year ended 30 June 2013 RwF
Receipts			
Transfer from Treasury	4.5.1	693,051,652	477,067,146
Other income	4.5.2	16,515,100	14,245,000
Total receipts		<u>709,566,752</u>	<u>491,312,146</u>
Payments			
Salaries	4.5.3	165,843,972	363,256,909
Purchase of goods and services	4.5.4	438,585,129	234,641,250
Capital expenditure	4.5.5	39,106,378	12,748,718
Other expenses	4.5.6	95,000,000	31,785,828
Total payments		<u>738,535,479</u>	<u>642,432,705</u>
Surplus/ (deficit) for the year		<u>(28,968,727)</u>	<u>(151,120,559)</u>

Geoffrey Magyezi
Accountant

Vanice Busingy
Ag. Director of Finance

Robert C. Mathu
Executive Director

Statement of financial position as at 30 June 2014

	Note	As at 30 June 2014 RwF	As at 30 June 2013 RwF
Assets			
Cash at Bank	4.5.7	(2,338,095)	33,037,761
Cash in Hand	4.5.7	98,127	90,127
Total assets (a)		<u>(2,239,968)</u>	<u>33,127,888</u>
Liabilities			
Accounts payable	4.5.8	(2,876,865)	(8,719,114)
Total Liabilities (b)		<u>(2,876,865)</u>	<u>(8,719,114)</u>
Net assets (a+b)		<u>(5,116,833)</u>	<u>24,408,774</u>
Represented by:			
Accumulated Surplus/(deficit) b/d		24,408,774	175,529,333
Prior year adjustments		(556,880)	-
Current year Surplus/(deficit)		(28,968,727)	(151,120,559)
Total		<u>(5,116,833)</u>	<u>24,408,774</u>

Geoffrey Magyezi
Accountant

Vanice Busingye
Ag. Director of Finance

Robert C. Mathu
Executive Director

Cash flow statement for the year ended 30 June 2014

	Year ended 30 June 2014 RwF	Year ended 30 June 2013 RwF
Cash flows from operating activities		
Transfers from other Government Reporting entities	693,051,652	477,067,146
Other revenue	16,515,100	14,245,000
Operating revenue	709,566,752	491,312,146
Adjustments		
Changes in payables	(5,842,249)	8,719,114
Total cash receipts from operating activities	(5,842,249)	8,719,114
Payments for operating activities		
Compensation of Employees	(165,843,972)	(363,256,909)
Use of Goods and Services	(438,585,129)	(234,641,250)
Other Expenses	(95,000,000)	(31,785,828)
Total payments for operating activities	(699,429,101)	(629,683,987)
Net cash flow from operating activities (a)	4,295,402	(129,652,727)
Cash flows from investing activities		
Purchase of capital items	(39,106,378)	(12,748,718)
Net cash flows from Investing activities (b)	(39,106,378)	(12,748,718)
Net increase in cash and cash equivalents (a) + (b)	(34,810,976)	(142,401,445)
Adjustments during the year	(556,880)	-
Cash and cash equivalent at the beginning of the year	33,127,888	175,529,333
Cash and cash equivalent at the end of the year	(2,239,968)	33,127,888
The financial statements were authorized for issue on _____ 2014 by:		

Geoffrey Magyezi
Accountant

Vanice Busingye
Ag. Director of Finance

Robert C. Mathu
Executive Director

Annual Report for the year ended 30th June 2014



Significant accounting policies

Basis of Accounting

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the requirements of Article 66 of the Organic Law on State Finances and Property: Law No. 12/2013 of 12 September 2013 and Ministerial Order N°002/07 of 9 February 2007 relating to Financial Regulations.

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. In the context of Ministerial Order N°002/07 of 9 February 2007 relating to Financial Regulations the modified cash basis of accounting means financial transactions which are recognized in the books of account as follows:

- Generally, transactions are recognized only at the time the associated cash flows take place;
- The expenditure on acquisition of fixed assets is not capitalized. Thus fixed assets are written-off on acquisition and the wear and tear (depreciation) of those assets is not recorded in the books of account; and
- Prepaid expenditure/advances are written-off during the period of disbursement.

The recognized “modification” is as follows:

- Invoices for goods and services which are outstanding on the date of the closure of the fiscal year are recognized as liabilities for that specific fiscal year; and
- Book balances denominated in foreign currencies are converted into the Rwanda Francs at average rate of exchange ruling on that date issued by the National bank of Rwanda. The associated exchange losses are recorded as recurrent expenditure while the exchange gains are recorded as recurrent revenue.

Reporting entity

The financial statements are for Capital Markets Authority (CMA)

Reporting Currency

The financial statements are reported in Rwanda Francs, being the currency of legal tender in Rwanda.

Revenue

Cash transfers from Treasury

These are budgetary allocations from Central Government and are disbursed directly to the bank account of the institution periodically. The budgetary allocation is mainly used to fund recurrent expenditure of the institution. The receipts are recognized when the cash is received.

Other income

Other income includes net gain and losses from foreign currency translation and licence fees.

Expenditure

Expenditure is classified according to major categories in line with Article 19 of Ministerial Order N°002/07 of 09/02/2007 relating to Financial Regulations. The main categories of expenditure include compensation of employees, purchase of goods and services and purchase of fixed assets.

Cash

Cash comprises cash on hand and cash equivalents.

Accounts payable

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific fiscal year.

Foreign currencies

Transactions denominated in foreign currencies are translated to the Rwandan Franc at the rate of exchange issued by the National bank of Rwanda (BNR) applicable for the dates of the transaction. At balance sheet date, book balances denominated in foreign currencies are converted into Rwandan Francs at the ruling BNR exchange rate. The associated exchange losses/gains are recorded as expenditure/revenue in the books of account

Notes to the financial statements

Cash transfer from treasury

Date credited in the bank	Year ended 30 June 2014 RwF	Year ended 30 June 2013 RwF
13-08-2013	227,603,113	200,543,940
11/06/2013	119,470,023	209,765,706
02/04/2014	141,801,882	66,757,500
13-03-2014	154,690,723	-
06/06/2014	63,729,451	-
22-05-2014	30,264,618	-
24-04-2014	65,335,056	-
Total Transfers	802,894,866	-
Reversal Bank charges	(2,000)	-
30-06-2014-Refund of bank balance	(109,841,214)	-
Total	693,051,652	477,067,146

Other income

Description		
Sales of tender documents	10,000	-
University challenge support	-	7,000,000
Application and licence fees	8,351,439	7,245,000
Bond appraisal fees-EADB	8,012,331	-
Exchange gain	141,330	-
Total	16,515,100	14,245,000

Salaries

Salaries	156,242,436	363,256,909
CSR	9,601,536	-
Total	165,843,972	363,256,909

Purchase of goods and services

Description	Year ended 30 June 2014 RwF	Year ended 30 June 2013 RwF
Office Supplies & Consumables	9,144,920	10,136,054
Water and Energy	2,906,718	4,352,152
Tools & Spare Parts	-	23,000
Maintenance & Repairs	-	572,600
Transport & Travel	17,026,570	14,124,371
Rental Costs/hire of rooms	25,700,386	-
Publications and adverts	47,834,335	4,759,903
Public Relations and Awareness	9,636,200	84,675,413
Communication, internet and postage	12,288,452	13,695,187
Professional Services	258,565,412	68,279,840
Training Costs	-	244,342
Board Allowances	3,457,620	-
Mission Allowances	13,044,958	-
Miscellaneous Expenses	-	13,270,000
Membership Fees	10,000,000	2,711,864
Bank charges	147,894	204,513
Other tax refund-Withholding tax	-	17,592,011
Sports and recreational facilities and services	4,161,731	-
International affairs	8,574,268	-
Exchange loss	2,847,425	-
Insurance	2,283,048	-
Printing and stationery	10,965,192	-
	<u>438,585,129</u>	<u>234,641,250</u>
Capital expenditure		
Information Systems & Equipment	2,455,500	11,769,718
Furniture & Fittings	36,650,878	377,600
Computers and printers	-	601,400
	<u>39,106,378</u>	<u>12,748,718</u>

Other expenses

Subsidies to RSE

95,000,000

31,785,828

Cash and bank

As at
30 June
2014
RwF

As at
30 June 2013
RwF

Cash at bank

(2,338,095)

33,037,761

Cash in hand

98,127

90,127

(2,239,968)

33,127,888

Accounts payable

TPR

-

8,719,114

Suppliers

2,876,865

-

2,876,865

8,719,114

Budget execution report for the year ended 30 June 2014

Description	Financial Year 2013/2014	Financial Year 2013/2014	Variance Rwf	Performance Percentage (%)
	Revised Budget - Rwf	YR ended June 2014		
	A	B	A-B	(B/A)*100
Revenue				
Fees, fines, penalties and licenses	-	16,373,770	(16,373,770)	
Transfers from Treasury	1,321,875,275	693,051,652	628,823,623	52%
Total Revenue	1,321,875,275	709,425,422	612,449,853	54%
Expenditure				
Compensation of Employees	204,730,292	165,843,972	38,886,320	81%
Use of Goods and Services	466,522,654	428,583,129	37,939,525	92%
Grants and other transfers and subsidies	95,000,000	95,000,000	-	100%
Other Expenses	10,000,000	10,000,000	-	100%
Capital Expenditure	545,622,329	39,106,378	506,515,951	7%
Total expenses	1,321,875,275	738,533,479	583,341,796	56%

Explanation on Variances

- The low performance on capital expenditure of 7% results from the fact that CMA had a budget of Rwf 508,980,409 for the establishment of the Rwanda National Investment Trust (RNIT) but this budget was not utilised due to pending appointment of RNIT board of directors and Management by the end of the year.

APPENDIX

CMA LICENSEES

Company	Contact person and Address
Faida Securities Rwanda (Broker)	Bob Karina CEO c/o Stephen Njoroge Operations Manager Centenary House 4 th Floor P.O.Box 124 Kigali Rwanda. Tel: +250784333734 Email: stephen.njoroge@fib.co.ke www.fib.ke
African Alliance Rwanda (Broker)	Iza Irame General Manager 1 st Floor Kigali City Tour (KCT) Avenue de Commerce P.O.Box 7179 Kigali Rwanda Tel : 0788301007 Email : Securitiesrw@africanalliance.com
CDH Capital (Broker)	Shehzad Noordally General Manager 9 th Floor Eco bank Building Avenue de la paix P.O. Box 6237 Kigali 0788301007 Email: shehzadnoordally@cdhcapitaltd.org
Balaka Capital Limited (Broker)	Mr. Davis L Gathaara Director General Balaka Capital Limited 4th Floor, Building 2000 (Opp. Kigali City Towers), KN 82 Street, P.O. Box 7180, KIGALI Tel: 0784835893

<p>MBEA brokerage services (Broker)</p>	<p>Mutebi Isaac Country Manager P.O.Box 92 Kigali Avenue de la paix Tel : 0788803337 Email : i-mutebi@mbea.net www.mbea.net</p>
<p>Core Securities (Broker)</p>	<p>George Fumbuka CEO c/o Uwitije Christophe K-solutions and partners P.O.Box 4062 Kigali Tel: 0788465282 Email : uwitijechristophe@gmail.com</p>
<p>BK Securities(Broker)</p>	<p>Andrew Kipruto Dealer/Broker Plot No.6112, Avenue de la Paix P.O. Box 175 Cell: +250784685086 email:bksecurities@bk.rw Call Center: 4455 Web: www.bk.rw Kigali, Rwanda</p>
<p>SBG Securities (Broker)</p>	<p>Consolata Mburu Country Manager sbgsecurities_rwanda@sgbsecurities.com Website : www.sbg.co.ke Tel : 0784 - 10 88 41 1st Floor,Kigali City Tower,Avenue du commerce P.O.Box 968 kigali</p>
<p>KCB Rwanda SA (Custodian)</p>	<p>Edwina Muranga Manager custody Services Avenue de la paix P.O BOX 5620 Kigali- Rwanda Tel: +250 252 570620/21 Cell: 0788387811</p>

<p>Bank of Kigali Ltd (Custodian)</p>	<p>Mr Lawson Naibo CEO Avenue de la Paix P.O.Box 175 Kigali TeL : 0788143000 www.bk.rw</p>
<p>Agusto & Co(Credit Rating Agency)</p>	<p>Mrs. Vivien Shobo Uba house 5th Floor 57 Marina P.O BOX 56136, IKOYI LAGOS, NIGERIA TEL : 2707222-4 EMAIL : info@agusto.com Website : www.agusto.com</p>
<p>AIMS CAPITAL ASSOCIATES RWANDA LTD(Advisory Services)</p>	<p>Aloys Mutabingwa 3rd Floor, la bonne address building Mob : 0788309268</p>
<p>DKB Markets Ltd(Advisory Services)</p>	<p>Adelemi Banjoko, Managing Director 7/9 Solabomi, Aguda, Nigeria</p>

