



Capital Market Authority

CMA RWANDA INSIGHTS

QUARTERLY NEWSLETTER



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By the end of December 2024, their total assets under management (AUM) had grown to RWF 67.49 billion, with 34,465 unit holders, up from RWF 64 billion and 28,895 unit holders in June 2024.

WEBINAR

Investing in Collective Investment Schemes
in Rwanda's Capital Market



Mr. Jonathan S. GATERA
Chief Executive Officer
Rwanda National Investment Trust



Mrs. Agnes R. NYRANKERA
Chief Executive Officer
BCP Investment Managers Ltd



Mr. Siongo KISOSO
Managing Director
BK Capital



Mr. Thapelo TSHEOLE
Chief Executive Officer
Capital Market Authority - Rwanda

Capital Market as a catalyst for Fintech Growth



The Chief Executive Officer of the Capital Market Authority of Rwanda, Mr. Thapelo Tsheole on Tuesday, 25 February 2025 addressed participants at the Inclusive FinTech Forum, where he participated in a panel discussion on “Bridging the Funding Gap: Building Private Capital and Leveraging Development Finance.”

Mr. Tsheole underscored the pivotal role of the capital market in unlocking funding for fintech enterprises, emphasising the importance of a structured regulatory environment to consolidate resources and support sustainable sectoral growth.

"We are establishing a market that enables private investors and funds to finance various businesses," he stated. "Providers of capital require assurance that their investments remain secure."

He further highlighted the necessity of fostering robust local networks for private capital, urging stakeholders to leverage fintech solutions in mobilising funds. "People must utilise fintech solutions to facilitate funding," he added.

As part of ongoing market reforms, Mr. Tsheole noted that the Capital Market Authority had revamped collective investment schemes, providing individuals with surplus capital the opportunity to access the market through private equity, specialised funds, or crowdfunding mechanisms. These enhancements aim to create a more inclusive and dynamic financial ecosystem.

The Capital Market Authority remains committed to advancing regulatory frameworks and market structures that support private investment, innovation, and sustainable fintech development.

The Authority will continue to engage with stakeholders to build a resilient capital market that fosters economic growth and financial inclusion.

Rwanda's Capital Market Authority Issues Guidelines for Issuance of Green, Social, Sustainability, and other Labels (GSS+) Bonds



Rwanda's Capital Market Authority (CMA) issues new guidelines for the issuance of Green, Social, Sustainability, and other Labels (GSS+) Bonds to support Rwanda's progress toward sustainable finance. This coincides with rapid growth in the sustainable bond market as investors become more aware of the systemic risks posed by climate change.

Green bonds dominate the sustainable bond market, and demand for these and other sustainable financial instruments continues to grow as climate change risks intensify. In response, Rwanda has adopted an ambitious strategy to establish itself as an International Financial Centre.

The GSS+ Bond Guidelines provide a regulatory framework for the public issuance and listing of GSS+ bonds within Rwanda's jurisdiction. These guidelines complement existing legislation and regulations governing debt securities, ensuring a cohesive and robust approach to sustainable finance.

The Chief Executive Officer, Thapelo Tsheole noted that "The guidelines for the issuance of Green, Social, Sustainability, and other Labels (GSS+) Bonds focus on public issuance and do not cover private issuance of sustainable bonds or multi-jurisdictional issuance of GSS+ Bonds. However, the framework seeks to create securities that are internationally credible, replicable, and attractive to global investors."

Mr. Thapelo added that "The GSS+ Bonds Guidelines draw from international principles established by organizations such as the International Capital Markets Association (ICMA) and the Climate Bonds Initiative (CBI), aligning Rwanda's sustainable finance efforts with global best practices."

How Mahwi Grain Millers Plc Raised Funds on Rwanda's Capital Market



Rwanda's capital market has created a favorable environment for businesses to raise funds and expand their operations. Recently, Mahwi Grain Millers successfully leveraged this platform to secure financing for its growth initiatives.

The company raised FRW 3.3 billion through the issuance of the 1st tranche of a FRW 5 billion note programme approved by CMA to support its expansion efforts and contribute to the nation's vision of achieving self-reliance in the agriculture sector after ensuring that the company meets the requirements including among others corporate Governance, availability of financial records, and company registration and availing a prospectus containing all the information required to allow potential investors to make an informed investment decision.

According to the Chief Executive Officer of the Rwanda Stock Exchange, Pierre Célestin Rwabukumba, Mahwi Grain Millers' journey began through the "Capital Market Investment Clinic," a program run by the Rwanda Stock Exchange designed to help SMEs to be investor-ready at any level of their development using the capital market ecosystem.

The Managing Director of Mahwi Grain Millers Plc, Jean Claude Uwizeyemungu, noted that the Frw 3.3 billion raised not only enabled the company to expand its operations but also allowed it to diversify its product offerings and establish a foothold in export markets.

The Growing Impact of Collective Investment Schemes in Rwanda's Capital Market

WEBINAR

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Rwanda's financial sector is expanding, creating more opportunities for investors to grow their wealth. A webinar held on 5 February 2025, organised by the Capital Market Authority in collaboration with Rwanda National Investment Trust, BK Capital, and BCP Investment Managers, explored the benefits of Collective Investment Schemes (CIS). The virtual event brought together key industry leaders to educate the public on the advantages, risks, and accessibility of CIS.

CIS are investment funds that gather money from multiple investors and allocate it into a diversified portfolio of assets. These schemes offer several benefits, including professional fund management, lower investment risk through diversification, and access to investment opportunities that may be difficult for individual investors to reach.

In Rwanda, two CIS are currently licensed: the RNIT Iterambere Fund and the BKC Aguka Fund. By the end of December 2024, their total assets under management (AUM) had grown to RWF 67.49 billion, with 34,465 unit holders, up from RWF 64 billion and 28,895 unit holders in June 2024. This growth reflects increasing investor confidence and participation in Rwanda's capital markets.

Agnes Nyirankeza, CEO of BCP Investment Managers noted that "The CIS industry can help create quality jobs in Rwanda by employing financial analysts and portfolio managers. It is a crucial part of our economy, offering diverse investment opportunities with professional management."

Building a Competitive and Accessible Capital Market



Rwanda's capital market industry is experiencing remarkable growth, driven by strategic initiatives to enhance competitiveness, accessibility, and investor confidence.

The Capital Market Authority of Rwanda (CMA) is implementing key reforms to position the country as a leading investment hub in the region. The Chief Executive Officer of the Capital Market Authority, Thapelo Tsheole noted these developments during a live radio on Royal FM.

According to CEO Tsheole, Rwanda is actively strengthening its capital market through regulatory enhancements, expanded financial education programs, and digital transformation. The government has also introduced incentives to encourage new listings and is fostering the growth of the corporate bond market.

“Investors should consider Rwanda due to its strong governance, pro-business policies, and strategic position as a gateway to the broader East African market. The country's stable macroeconomic environment and ongoing infrastructure investments provide compelling long-term growth opportunities,” said Tsheole.

“We are implementing regulatory improvements to enhance transparency, streamline listing requirements, and facilitate capital inflows. Legal and tax reforms have been introduced to attract global financial institutions, and partnerships with regional and international financial centers are being strengthened,” Tsheole explained.

Rwanda Capital Market Advances Green Finance



The Green Public Financial Management (PFM) Seminar, held in Kigali, brought together financial experts and policymakers to discuss integrating climate and environmental considerations into public financial management.

Speaking at the seminar the Chief Executive Officer of the Capital Market Authority, Thapelo Tsheole, shared Rwanda's achievements in building a strong green bond market.

"Rwanda's commitment to green finance is evident through its Sustainable Finance Roadmap, which provides strategic direction for scaling up sustainable investments while ensuring sustainability in the country's financial systems," CEO Thapelo said.

Rwanda also launched Green, Social, and Sustainability (GSS+) Bonds, validated by industry experts and aligned with standards set by the International Capital Market Association (ICMA) and the Climate Bonds Initiative (CBI). Mr. Tsheole stated, "The successful issuance of these bonds affirms Rwanda's commitment to creating credible and attractive green investment opportunities, keeping our financial markets competitive globally." In addition to GSS+ Bonds, Rwanda issued two Sustainability-Linked Bonds through the Rwanda Development Bank (BRD) and a Green Bond through Prime Energy Plc.

"The issuance of sustainability-linked bonds by BRD and a green bond by Prime Energy Plc demonstrates Rwanda's dedication to using capital markets to finance environmentally sustainable projects and strengthen investor confidence," Mr. Tsheole noted.

CMA Rwanda's Fintech Regulatory Sandbox Paves the Way For Sustainable Fintech Growth



The Capital Market Authority (CMA) of Rwanda hosted a webinar focused on the evolving regulatory landscape designed to foster FinTech innovation while ensuring responsible market practices.

The virtual event convened key stakeholders to discuss strategies for building a dynamic, tech-driven financial ecosystem. Panelists stressed the importance of regulatory clarity, strategic collaboration, and the essential role of CMA Rwanda's Fintech Regulatory Sandbox framework in enabling innovation.

Leila Rwagasana, FinTech Lead at Rwanda Finance Ltd outlined the country's ambition to position Rwanda as a global financial hub through the Kigali International Financial Centre (KIFC).

"Through the Kigali International Financial Centre, we are working to attract global investors and technology-driven financial services," she said. "Regulatory clarity and strategic partnerships are key to achieving this vision."

Jerome Ndayambaje, Digital Innovation Analyst at CMA Rwanda shared insights into the authority's Fintech Regulatory Sandbox programme, highlighting its role in adaptive policy development.

"The CMA Fintech Regulatory Sandbox is designed to help firms navigate regulatory requirements while promoting responsible innovation. It enables us to refine policies in real time in response to emerging trends," he explained.

Samuel Njuguna, CEO of Moneto Ventures, also praised the collaborative nature of the Fintech Regulatory Sandbox while testing their Tunzi App.

CMA's Chief Executive Officer, Thapelo Tsheole reaffirmed the authority's commitment to nurturing innovation within a secure and well-regulated financial environment. "Our goal is to provide a framework that encourages innovation while safeguarding investor protection and maintaining market integrity," he emphasized.

Building a culture of saving and investment in the Capital Markets among young people



The Capital Market Authority of Rwanda (CMA) emphasises the need for young people to adopt a culture of saving and investment, recognising its crucial role in ensuring long-term financial stability and economic prosperity.

Developing financial discipline at an early age establishes a solid foundation for wealth creation and strengthens personal finance management skills. Participation in the capital market enables young individuals to access wealth-building opportunities, benefit from compound interest, and establish responsible financial habits that contribute to long-term financial security.

Beyond personal financial benefits, youth involvement in capital market investments plays a significant role in driving national economic development. Investments in publicly traded companies support business expansion, create employment opportunities, and foster innovation key components of a resilient economy.

To build a financially literate generation, investor education remains essential in equipping young people with the knowledge and skills required to make informed and strategic investment decisions.

As part of its commitment to investor education, CMA on Wednesday, 26 February 2025 hosted a group of interns from the Rwanda Stock Exchange (RSE) to provide them with deeper insights into Rwanda's capital markets industry.

This initiative reflects CMA's efforts to empower young individuals with practical investment knowledge, promote informed financial decision-making, and encourage long-term financial planning. By enhancing awareness and accessibility, Rwanda's capital market continues to serve as a key driver of financial empowerment and sustainable economic growth.

Rwanda's Capital Market Players Trained on AML Compliance



The Capital Market Authority of Rwanda (CMA) conducted a training session on 11 February 2025 to enhance its licensed players' capacity to comply with Anti-Money Laundering (AML) regulations. Facilitated by the Financial Intelligence Centre (FIC), the training highlighted the importance of AML compliance in safeguarding the integrity of Rwanda's financial market.

The Chief Executive Officer of the Capital Market Authority, Thapelo Tsheole stressed the critical importance of Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing (AML/CFT/CPF) compliance.

CEO Thapelo affirmed that adherence to global standards is mandatory for all licensed capital market intermediaries and urged collaborative efforts to foster the sustainable growth of Rwanda's capital market industry.

The training equipped market participants with practical guidance on implementing risk-based approaches, ensuring beneficial ownership transparency, conducting customer due diligence (CDD), and applying enhanced due diligence (EDD). It also covered internal controls, governance measures, Targeted Financial Sanctions (TFS), and reporting obligations, preparing firms to identify and mitigate ML/TF/PF risks effectively.

PICTORIAL



CEO Tsheole spoke on a panel at the Inclusive FinTech Forum 2025 on “Bridging the Funding Gap: Building Private Capital and Leveraging Development Finance.” Mr. Tsheole emphasised the crucial role of the Rwanda’s capital market in unlocking funding.



PICTORIAL



CMA's team participated in an exchange and learning session with Paul Chahine and Chiara Caprioli from the Luxembourg Stock Exchange. The discussions were centred on GSSS+ bonds, encompassing regulators' contributions and ESG integration.



CEO Tsheole addressed capital market players at the training on Sustainable Debt Instruments & Green Taxonomies organised by Rwanda Stock Exchange and Luxembourg Stock Exchange. He stressed the importance of having diversified products for Rwanda's capital market.


PICTORIAL







Mahwi Grain Millers successfully leveraged the capital market to secure financing for its growth initiatives by raising FRW 3.3 billion through the issuance of the first tranche of a FRW 5 billion note programme.



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Capital Market Authority

Women's participation in the capital market is a catalyst for sustainable economic growth. On International Women's Day, CMA encourages women to take control of their financial future whether as investors, entrepreneurs, or leaders in the financial sector.



Capital Market University Challenge is Back!

Thank you for taking the time to read the third edition of our quarterly newsletter.

We look forward to sharing with you again the next edition in June 2025.

For more information visit our website www.cma.rw