



CMA RWANDA INSIGHTS

QUARTERLY NEWSLETTER



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This issuance presents investors with a unique opportunity to participate in **Rwanda's first-ever green bond**, providing access to a new asset class for enhanced diversification.

Absa Africa Financial Markets Index 2024

Exploring the opportunities
Africa has to offer

Rwanda has moved up three places to become the highest mover in the **2024 Absa Africa Financial Markets Index**.

This index evaluates the financial development of African countries based on key indicators of market accessibility, openness, and transparency.

Rwanda's Capital Market Introduces Real Estate Investment Trusts (REITs). REITs allow individuals to invest in income-generating real estate without directly owning properties.



CEO Thapelo Commends Prime Energy for Issuing Rwanda's First Green Bond



The Chief Executive Officer of the Capital Market Authority (CMA), **Mr. Thapelo Tsheole** commends Prime Energy Plc for issuing their 7-year green bond with a face value of FRW 9.5 billion.

This issuance presents investors with a unique opportunity to participate in Rwanda's first-ever green bond, providing access to a new asset class for enhanced diversification.

The Green Bond being issued has been externally verified as “Green Bonds”, based on a Second Party Opinion (SPO) by IBIS ESG Consulting Africa that confirms alignment with the four core components of the updated International Capital Market Association (ICMA) Green, Social and Sustainability Bond Principles issued in June 2021 respectively.

CEO Thapelo Tsheole of CMA speaking at the Prime Energy Investor Day in the Northern Province in Musanze District commends Prime Energy for issuing Rwanda's first green bond, which demonstrates the significant impact of the capital market in offering alternative financing options for those in business.

CEO Thapelo stressed that “At CMA, we ensure that our capital markets operate efficiently and transparently, and we focus on protecting the interests of investors by ensuring the issuer complies with the requirements by making all the necessary disclosures to allow investors to make informed investment decisions. We are however taking a developmental approach to regulating capital markets.”

Thapelo urged different players in Rwanda's economy to consider green bonds to attract investments in renewable energy, sustainable agriculture, and other initiatives that address climate change and promote sustainability.

Rwanda Rises in the 2024 Absa Africa Financial Markets Index

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In line with this improved ranking, Rwanda listed its first domestic sustainability-linked bond in September 2023. Additionally, the country introduced new climate-related financial regulations that reflect its commitment to environmental, social, and governance (ESG) principles.

These developments contributed to a three-point increase in Rwanda's overall score to 47 from 44 in 2023 scores.

Commenting on the ranking, the Chief Executive Officer of the Capital Market Authority of Rwanda, Thapelo Tsheole noted "Rwanda has fully embraced ESG principles, reflected in our recent listings in this category. We remain committed to continuous improvement, and our financial sector is poised for further growth. Work is already underway to improve Rwandan ranking."

The index is structured around six fundamental pillars of financial market performance: Market Depth; Access to Foreign Exchange; Market Transparency and Regulation; Pension Fund Development; Macroeconomic Opportunity; and Enforceability of International Financial Agreements.

For more details visit: www.omfif.org

Rwanda's Capital Market Introduces Real Estate Investment Trusts



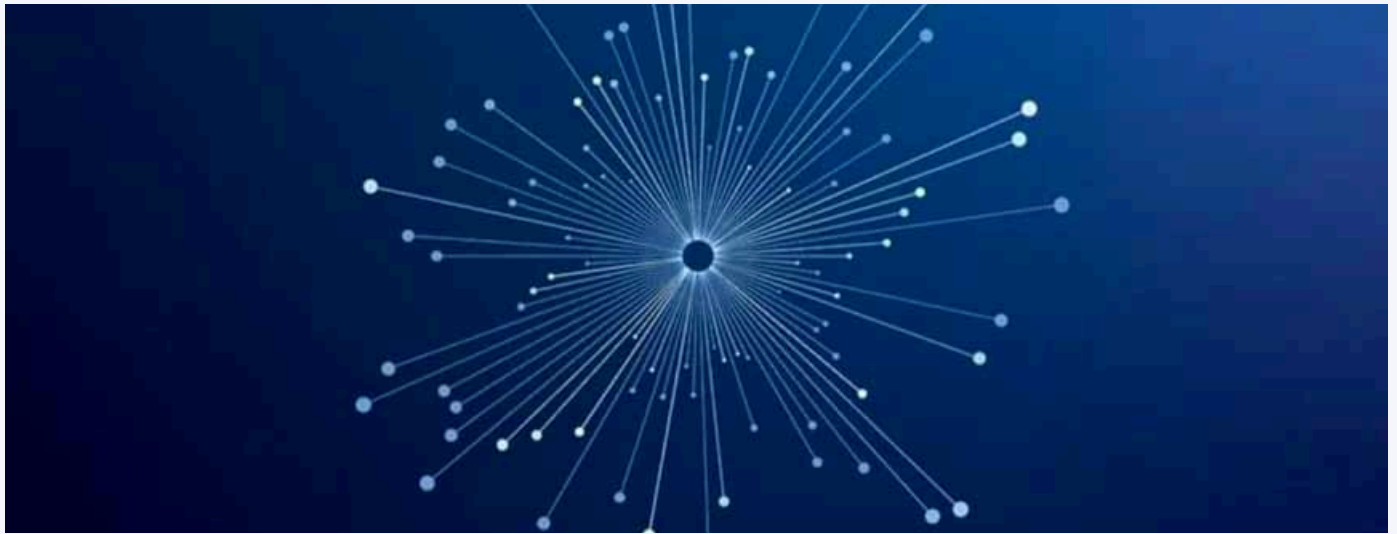
Rwanda launched Real Estate Investment Trusts (REITs); REITs allow individuals to invest in income-generating real estate without directly owning properties. Investors purchase shares in a trust that manages, owns, or finances real estate assets, receiving profits distributed to them. This structure makes REITs an attractive investment option for those seeking steady returns.

The introduction of REITs in Rwanda opens new avenues for enhancing capital markets and creating investment opportunities. It enables both institutional and retail investors to engage in real estate, an area historically dominated by large developers and affluent individuals. By lowering entry barriers, REITs can democratize access to real estate investment and contribute to broader economic growth.

The Chief Executive Officer of Rwanda's Capital Market Authority, Thapelo Tsheole noted that "Building investor confidence depends on strong governance. A robust regulatory framework will protect investors and ensure the long-term success of REITs."

The Chief Executive Officer of the Rwanda Stock Exchange, Pierre Celestin Rwabukumba described this initiative as a major milestone. He emphasized that REITs would empower more citizens to participate in wealth creation, fostering economic equity.

CMA welcomes Quantum Investment Limited to the Capital Market Fintech Regulatory Sandbox



The Capital Market Authority (CMA) has admitted Quantum Investment Limited to the Fintech Regulatory Sandbox. This firm will test its Fintech innovation in a capital markets live environment in compliance with the CMA Fintech Regulatory Sandbox Guidelines.

Quantum Investment Limited will test its Pezzy Mobile Application, a Fintech innovation in the saving and investment space aiming at connecting retail investors to the Collective Investment Schemes (CIS). The innovation is intending to enhance the culture of saving and investment for retail investors by creating various strategies including “Save and Invest as You Spend”, and “Automated Expense Tracking” enabling investors to become conscious of their spending habits and improve their attitudes towards saving and investment.

The Chief Executive Officer of the Capital Market Authority, Mr. Thapelo Tsheole noted: “The Authority is delighted to welcome this new innovation for testing into the Capital Market Fintech Regulatory Sandbox. If this innovation is successful, it will significantly reduce the barriers to retail investors' entry into the capital markets. The collective investment schemes will be accessible to retail investors in a more convenient manner and the culture of saving and investment will be enhanced by leveraging technology. We encourage the fintech community with innovations that have the potential to solve genuine problems and deepen the capital markets in Rwanda; to apply and test their solutions into our fintech regulatory sandbox, applications are received on a rolling basis”.

Rwanda's Capital Market Introduces Exchange-Traded Funds



**Introduction of Exchange Traded Funds (ETFs)
in Rwanda's Capital Market**

						
Mr. Bob Karina Chairperson Rwanda Stock Exchange	Ms. Nerina Visser, CFA Presidents Council Repr. Middle East & Africa, CFA Institute	Ms. Oyelade Eigbe Managing Director, Vetiva Fund Managers	Mr. Duma Mxenge Head of Business & Market Devt' Satrix	Mr. Pierre C. Rwabukumba President of (ASEA) & CEO, Rwanda Stock Exchange	Ms. Deborah Fuhr, CFA Fellow Managing Partner, Founder ETFGI	Mr. Thapelo Tsheole Chief Executive Officer Capital Market Authority - Rwanda

Rwanda's capital market introduces **Exchange-Traded Funds (ETFs)** to give investors more options and meet their desire for different types of investments.

ETFs are investment funds that can be bought and sold on stock exchanges, similar to regular stocks. They contain a mix of assets, such as stocks, bonds, and commodities, and usually aim to follow the performance of a specific index or market sector.

Speaking during the monthly CMA's webinar, the **Chairperson of the Rwanda Stock Exchange, Bob Karina** said "The introduction of ETFs in Rwanda's capital marker marks the beginning of an exciting chapter in our financial landscape, and it's not just a new investment vehicle it presents opportunities for growth, innovation and growth within our securities industry."

The Chief Executive Officer of the Capital Market Authority of Rwanda, Thapelo Tsheole shared the importance of engaging with stakeholders to develop the market further and introduce new products.

Thapelo noted, "To ensure the successful adoption of these innovative financial instruments, we are committed to enhance investor education together with all market players through a variety of channels."

ETFs are becoming a popular choice for investors because they are flexible, cost-effective, and make it easier to create diverse investment portfolios.

CMA Participated in the Rwanda National Fintech Strategy Launch



The Capital Market Authority (CMA) took part in the Rwanda National Fintech Strategy Launch Event on 28 November 2024 at the Kigali Convention Centre. This event introduced a detailed plan to create a strong and inclusive fintech ecosystem in Rwanda. It included showcases of new technologies and an exhibition by all participants under CMA's Fintech Regulatory Sandbox.

CMA launched 'Fintech Regulatory Sandbox' in 2023 to give fintech companies an opportunity to test their ideas and support Rwanda's ambition to become a centre for financial technology and investment.

Jerome Ndayambaje, Technology and Innovation Analyst at CMA stressed that the fast growth of technology worldwide can greatly benefit Rwanda's financial sector. However, he also warned that without proper rules, these new technologies could lead to problems.

Ndayambaje explained that this testing phase ensures that emerging technologies address existing challenges and do not cause harm to investors or the financial market.

By offering a controlled environment for experimentation, the sandbox helps in understanding the operational dynamics, benefits, and risks of new technologies. Successful innovations that demonstrate value and mitigate risks are then granted permission to operate within the broader market.

Market Development Updates



CMA revised the Corporate Governance Code for companies with listed securities incorporating ESG (Environmental, Social, and Governance) matters.

Also, CMA developed three regulations:

- a. Regulations establishing licensing requirements for Collective Investment Schemes (CIS)
- b. Regulations outlining recognition requirements for foreign CIS
- c. Regulations determining operational and other requirements for CIS.

Additionally, CMA introduced guidelines for the issuance of Green, Social, Sustainability, and Other Labels (GSS+) Bonds, which have been approved by the Board for implementation.

Three corporate bonds were approved and issued

Mahwi Grain Millers Plc successfully issued the 1st Tranche of Frw 3 billion under its Frw 5 billion Medium-Note Programme.

Prime Energy Plc issued the first Green Bond in the market raising Frw 9.5 billion.

Development Bank of Rwanda (BRD) issued the second tranche of its Frw 150 billion Medium-Note Programme. The bank raised Frw 33.5 billion through the issuance sustainability-linked bond exercising a green shoe option at the tune of Frw 3.3 billion.

Licenses, Approvals, and Admissions into the Fintech Regulatory Sandbox

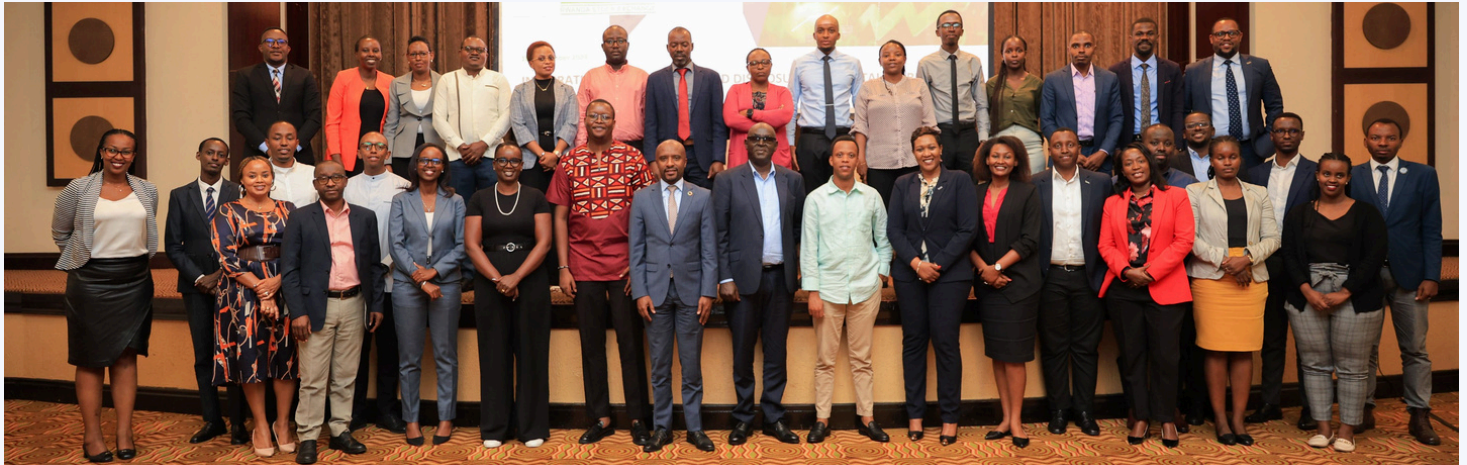
In the period under consideration the following licenses/approvals were issued:

- 1. Katapult Africa Investment Management Ltd:** Investment Management License.
- 2. Premier Private Wealth Ltd:** Investment Advisory License.
- 3. VanPartners Ltd:** Fund Administration Services.

The firm below was admitted into the fintech regulatory sandbox

Quantum Investment Ltd: Pezzy Mobile Application aims to enhance saving and investment culture among retail investors by enabling them to save and invest in CIS.

Why ESG Reporting Matters in Rwanda's Capital Market?



The Rwanda Stock Exchange (RSE) in collaboration with the Capital Market Authority (CMA) organised a training session on ESG Reporting Guidelines on Wednesday, 18 December 2024. This event brought together corporate leaders, policymakers, and stakeholders to promote the adoption of Environmental, Social, and Governance (ESG) reporting practices in Rwanda's capital market industry.

Dr. James Ndahiro, Technical Advisor at the Capital Market Authority, delivered the keynote address. He stressed that “Our markets must lead the way in transparency and accountability. ESG reporting serves as a cornerstone for building businesses that not only deliver financial returns but also contribute to environmental stewardship and social development.”

Dr. Ndahiro added “This training reflects Rwanda's commitment to aligning with global best practices in corporate governance. ESG compliance strengthens investor confidence and positions Rwanda as a regional hub in sustainable finance.”

Pierre-Célestin Rwabukumba, CEO of the Rwanda Stock Exchange noted “ESG is not merely a trend but a fundamental pillar for attracting global investment. By adopting ESG reporting, we ensure that Rwanda remains competitive and aligned with international standards for responsible investing.”

The training covered essential elements of ESG reporting, including aligning ESG principles with corporate strategy, ensuring transparent and comprehensive disclosures, and leveraging ESG to attract sustainable investment.

Rwanda's Capital Market Joins IOSCO's Investor Week to Promote Technology & Sustainable Finance



The Capital Market Authority (CMA) of Rwanda joins the International Organization of Securities Commissions (IOSCO) for World Investor Week (WIW). This global campaign, running from 7 to 13 October 2024, aims to raise awareness about the importance of investor education and protection, highlighting various initiatives by securities regulators.

This year's IOSCO World Investor Week will specifically focus on Technology and Digital Finance, Crypto Assets, and Sustainable Finance.

Mr. Thapelo Tsheole, Chief Executive Officer of the Capital Market Authority (CMA) of Rwanda stressed the Authority's commitment to technology in developing the capital market. He stated "CMA Rwanda welcomes all Fintech innovations to test their ideas in our Fintech Regulatory Sandbox. This programme helps both CMA and innovators understand emerging trends in financial technology and regulatory needs through shared learning. It fosters innovation while ensuring we meet our regulatory objectives."

Mr. Thapelo additionally noted that "The IOSCO Investor Week aligns with our goal to create a more knowledgeable and secure investment environment in Rwanda. Throughout the week, CMA will engage thousands of current and potential investors through digital platforms to enhance investor education and protect their interests as an educated investor is a protected investor."

During this year's World Investor Week, CMA Rwanda, Rwanda Stock Exchange, and investment and fund managers will run a digital media campaign to inform the public about saving and investment opportunities in the local stock market.

PICTORIAL



The Chief Executive Officer of the Capital Market Authority, Thapelo Tsheole joined Hon. Minister of State Public Investments and Resource Mobilization at the Ministry of Finance and Economic Planning, Tesi Rusagara, along with other CEOs from the financial sector, including banks, insurance companies, and pension schemes. The workshop aimed to gather inputs for the new five-year Financial Sector Development Strategy for the Ministry of Finance and Economic Planning.



CEO Thapelo met with Joseph Owolabi, CEO of Rubicola, and Felicien Muvunyi, Managing Partner at Garnet Partners. Their discussion centred around their collective efforts to contribute to the growth of #Rwanda's capital market focusing on sustainable finance.

PICTORIAL



CEO Thapelo joined BRD and other stakeholders at the listing ceremony of BRD's Series II Sustainability-Linked Bond (SLB).



Different players in Rwanda's capital market industry attended the exhibition at the National FinTech Strategy Launch. Through CMA's FinTech Regulatory Sandbox, participants showcased their solutions which aim at building a culture of saving and investment using technology.



CMA participated in the monthly #FinTechFriday

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

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

For more information visit our website

 www.cma.rw