

Table of contents

CHAPTER ONE: GENERAL PROVISIONS	1
Article One: Purpose of this Law	1
Article 2: Interpretation	1
CHAPTER II: REGULATION OF THE CAPITAL MARKET, CAPITAL MARKET ACTIVITY AND CAPITAL MARKET INDUSTRY	14
Article 3: General requirements to engage in capital market activity or the capital market industry	14
Article 4: Person or entity engaged in capital market activity and capital market industry	15
Article 5: Issue of statement of principles and publishing of regulations and directives	15
Article 6: Responsibilities of CMA in regards to capital market activity, business, and capital market industry	15
Article 7: Powers of CMA in regards to capital market activity, business and capital market industry.	16
Article 8: Exemption from licencing or authorisation requirements of this Law	17
Article 9: Compliance and application to foreign persons and small entities or small issues	17
CHAPTER III: LICENSING OR AUTHORISATION FOR CAPITAL MARKET ACTIVITY AND PARTICIPANTS	18
Article 10: Requirements for licensing, authorisation, exemption or application to CIS	18
Article 11: Grant of licence, refusal, suspension or withdrawal of a licence, exemption, approval or authorisation	19
Article 12: Request for renewal, withdrawal of application, suspension, withdrawal, cancellation or alteration of a licence or authorisation	21
Article 13: Maintenance of a register of licenced, exempted and authorised persons and entities	21
Article 14: Granting of a licence, exemptions, authorisations, applications for renewals, or extension and lapse of licences and exemptions with activation or operational conditions	21
Article 15: Grounds for refusal, alteration, suspension or withdrawal of a licence, exemption or authorisation and lapses	22
10. Additional grounds for suspension or withdrawal of a licence or exemption or the amendment or modification of a waiver or condition on a licence or authorisation and processes for such actions may be provided for:	23
Article 16: Requests for amendment of a licence, exemption or authorisation of representatives and employees	24
Article 17: Withdrawal of an application for licence or authorisation	24
Article 18: Effect of lapse, suspension or withdrawal or cancellation on request	24
Article 19: Disclosure and recording obligations of publishers.	25
Article 20: Requirement for licence for exchanges and clearing houses	25
Article 21: Application for licence for exchange or clearing house	25
Article 22: Requirements for assets or for financial standing including for licensing	26
Article 23: Exchanges and clearing houses to make rules and submit to CMA for approval	26
Article 24: Grant of a licence for domestic and foreign exchanges and clearing houses and renewals	27
Article 25: CMA intervention in the operations of a clearing house	27

Article 26: Notifications of refusal to issue or renew, suspension or withdrawal of a licence, waiver, or exemption	28
Article 27: Request not to renew, for suspension, withdrawal, cancellation or alteration of a licence or exemption	28
Article 28: Effect of failure to renew, lapse, suspension, withdrawal or return of a licence or exemption	28
Article 29: Regulations or directives on inclusion or exceptions of activities and modalities and exclusions	29
Article 30: CMA may determine qualifications for directors, senior management and employees	29
Article 31: Clearing house default process and insolvency rules to take precedence	29
CHAPTER IV: REGISTRATION OF CREDIT RATING AGENCIES	29
Article 32: Registration of Credit Rating Agency and renewal	29
Article 33: Approval of Foreign Credit Rating Agency	29
Article 34: Requests, approvals, suspension and withdrawal of credit rating registration or approval	30
Article 35: Register or interests to be maintained by registered, , approved or exempted credit rating agencies	30
CHAPTER V: SUPERVISORY POWERS OF CMA IN RELATION TO CAPITAL MARKET ACTIVITY AND PARTICIPANTS	30
Article 36: Powers of CMA to intervene in the operations of an exchange	30
Article 37: CMA power to regulate the over the counter market	30
Article 38: Power of CMA to issue stop order, directions to issuers or in respect of securities ...	31
Article 39: Power to require a second audit	31
Article 40: CMA powers to publish regulations or directives for different types of securities, or structure or modes of investment in securities	32
Article 41: Recognition of Self-Regulatory Organisation	32
Article 42: Authorisation to undertake functions or delegation to a self-regulatory organisation	33
Article 43: Representing or holding out as a recognised self-regulatory organisation	33
Article 44: Protection from civil liability	34
CHAPTER VII: ISSUES AND OFFERS OF SECURITIES	34
Article 45: Requirements for issues or offers of securities and application to shares and debentures of companies	34
Article 46: Offers and issues to the public or section of the public and public offers	34
Article 47: Requirement for a prospectus	35
Article 48: Use of information memorandum	36
Article 49: CMA requirement for additional information and issue of stop order for prospectus or information memorandum	36
Article 50: Contents of a prospectus or information memorandum and general duty of disclosure and changes to disclosure	36
Article 51: Corrective actions in relation to a prospectus or information memorandum	37
Article 52: Persons responsible for a prospectus	38
Article 55: Compensation for misleading prospectus, information memorandum or other offering document or communication and preservation of other rights	39
CHAPTER VIII: REPORTING AND CONTINUOUS DISCLOSURE OBLIGATIONS	40

Article 56: Reporting by public companies and issuers of securities to the public and others, and the calling of meetings	40
Article 57: Continuous disclosure	40
CHAPTER IX: AUDITOR REQUIREMENTS	41
Article 58: Appointment of auditors	41
Article 59: Qualification of auditors and recognition of rules of self-regulating organisation	41
Article 60: Reports and communication by an auditor to CMA	41
Article 61: Failure of auditor to report or communicate to CMA.....	43
CHAPTER X: ISLAMIC SECURITIES and EXCHANGES	43
Article 62: Islamic securities	43
Article 63: Islamic exchanges, securities,.....	43
CHAPTER XI: TO CAPITAL MARKET AUTHORITY REGULATORY POWERS IN OTHER LAWS AND REGULATIONS	44
Article 64: General power in relation to related Laws	44
Article 65: Application of this Law to Collective Investment Schemes.....	44
Article 66: Trustees, Trustee Companies and Trustee Company Service Providers	44
CHAPTER XII: REGULATORY SANDBOX FRAMEWORK AND OTHER FLEXIBILITY MEASURES	45
Article 67: Establishment of a regulatory sandbox framework and regulation	45
Article 68: Requirements for establishment of a regulatory sandbox framework.....	45
Article 69: Aspects to be addressed in a.....	45
Article 70: Suspension or revocation of a determination.....	46
CHAPTER XIII: TAKEOVERS, MERGERS AND AMALGAMATIONS	46
Article 71: Authorisation of takeovers.....	46
Article 72: Acquisition or change of substantial control or substantial interest.....	47
Article 73: Disclosure obligations and liability for takeover documentation	47
Article 74: Exemptions from requirements to obtain authorisation	47
Article 75: Requirements for authorisation in compliance with other Laws.....	47
Article 76: Preservation of powers of intervention, investigation, sanctions and penalties	48
CHAPTER XIV: INSIDER TRADING, MARKET MANIPULATION AND OTHER MARKET ABUSES	48
Article 77: Information deemed to be public.....	48
Article 78: Insiders and inside information	48
Article 79: Prohibition on insider dealing or trading	48
Article 80: Defence or persons engaged in insider trading	49
Article 81: Market sounding	49
Article 82: Prohibition of market abuse and manipulative behaviour	51
Article 83: Market abuse	51
Article 84: Market manipulation	51
Article 85: Accepted market practices.....	53
CHAPTER XV: GENERAL DISCIPLINARY PROVISIONS AND POWERS OF CMA	53
Article 86: Public statement of misconduct and inclusion on CMA maintained register.....	53
Article 87: Request for a court injunction or order to end violation and to provide remedy	54
CHAPTER XVI: CMA INTERVENTION AND PROHIBITED TRANSACTIONS	54

Article 88: Prohibited transactions	54
Article 89: Appointing an official administrator	55
Article 90: CMA imposition of restrictions on using assets	56
Article 91: CMA review or recission of decisions and requests	56
Article 92: Winding up, termination or dissolution	57
CHAPTER XVII: ACCESS TO INFORMATION AND Assistance by CMA to foreign regulatory authorities	
57	
Article 93: Access to registers maintained by CMA and documents	57
Article 94: Access to and restrictions on disclosure of information	57
Article 95: Further exemptions to restrictions on the disclosure of information and requirement for consent	58
Article 96: Assistance by CMA to foreign regulatory authorities	59
Article 97: Conditions to be met prior to provision of assistance to foreign regulatory authorities	60
Article 98: Maintenance of registers and documents by CMA	60
CHAPTER XVIII: CAPITAL MARKET INDEPENDENT REVIEW PANEL	61
Article 99: Establishment of Capital Market Independent Review Panel	61
Article 100: Appeal to Capital Market Independent Review Panel	61
Article 101: Capital Market Independent Review Panel regulations and directives	61
CHAPTER XIX: CAPITAL MARKET AUTHORITY RELATIONS WITH OTHER REGULATORY BODIES OUTSIDE RWANDA	62
Article 102: Information given or actions taken by other regulatory bodies	62
Article 103: Enforcement of decisions made by foreign regulatory bodies	62
CHAPTER XX: INFORMATION COLLECTION, INSPECTION AND INVESTIGATION	63
Article 104: Appointing persons to carryout	63
Article 105: Request for information, accounts, reports, data and systems	63
Article 106: CMA inspection	64
Article 107: CMA investigation	64
Article 108: Obligation to report to CMA	64
CHAPTER XXI: FAULTS, OFFENCES AND SANCTIONS	65
Article 109: Determination of administrative sanctions	65
CHAPTER XXII: MISCELLANEOUS AND FINAL PROVISIONS	65
Article 110: Establishment of a compensation scheme	65
Article 111: Protection of CMA and appointees and advisors from personal or civil liability	65
Article 112: Inconsistency between this Law and other Laws	65
Article 113: Compliance period	65
Article 114: Drafting, consideration and adoption of this Law	65
Article 115: Repealing provisions	66
Article 116: Entry into force	66

FORMAL PROVISIONS to be included – including:-

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 64, 69, 70, 88, 90, 91, 93, 106, 112, 120, 122, 139 and 176;

Having reviewed Law No. 01/2011 of 10/02/2011 regulating capital market in Rwanda, and Law No. 45/2018 modifying Law No. 01/2011 of 10/02/2011 regulating capital market in Rwanda as Modified to Date;

ADOPTS:

CHAPTER ONE: GENERAL PROVISIONS

Article One: Purpose of this Law

This Law governs the operation and regulation of:

capital market activities and the capital market industry in Rwanda, including the operation of exchanges:

the offer, issuance, listing and trading, of capital market instruments and securities, and takeover, mergers and acquisition activities;

capital market related activities and practices, and

This Law does not cover licencing, activities, or operations relating to:

commodities that are governed by the Law Regulating Commodity exchange and related contracts or any law that amends or replaces that Law, unless such activities or conduct are specifically covered in this Law;

warehouse receipts that are governed by the Law regulating the Warehouse Receipt System, unless specifically covered by this Law, or

collective investment schemes, governed by Law governing Collective Investment Schemes, except where specifically provided for in this Law.

the law governing the holding and circulation of securities but only as it relates to the licensing of the operator of a Central Securities Depository and the conduct of participants as provided for in that Law,

Article 2: Interpretation

In this Law:

accounting period: means a period of one year or any other period determined by a company ending on an accounting reference date for the company or other accounting entity;

accounting reference date: means a date adopted by a company or any other accounting reporting entity on which its accounts are closed;

accredited investor: means an individual, person, fund, trust, partnership, or any other form of investment vehicle that CMA on application determines has sufficient skills, resources and knowledge to assess in its own right, or with the aid of its advisors, the inherent risks associated with the investment in capital market instruments or in a particular category of securities;

acquisition: includes any form of takeover to which this Law applies;

agent: means a person approved to act for or under the direction of another person when dealing with a third party;

annual accounts: means a report that consists of a consolidated balance sheet of a company or group of companies, or other accounting entity designed to show profits earned or losses incurred or accounting for returns or entitlements of an investor in accordance to the relevant Laws or related legal instrument.;

annual benefit report: means a document that outlines a community benefit company's effort to create public benefit during the previous year that is provided to shareholders by a community benefit company;

annual return: means a yearly statement which in the case of a: -
company is filed with the Registrar General and contains information about the company including details about shareholders, directors, capital, registered office, liabilities, and balance sheet together with such additional material that may be required under this Law or any other relevant laws, and in the case of securities not issued by a company shall be prepared by such person and include such information as is required by this Law, or under any relevant Law

any other person or entity, fund or capital market activity that is required to issue an annual return or report issued under this Law or a related Law in the form and requiring the disclosure prescribed under this Law;

approved person: means a person authorised by this Law to conduct capital market activity or an exempted person whether or not such person has a licence;

asset backed securities: means any securities that are:
issued as part of a securitization transaction;
that are primarily serviced with respect to both the repayment of principal or capital and the return on the investment in the securities from the cash flow of the assets of the securitization transaction held by a special purpose vehicle, and
any securities which CMA by publishing regulations or directives determines to be asset backed securities;

associate: in relation to takeovers, market manipulation, insider trading and other prohibited market practices includes the persons defined for the purposes of those provisions to be associates under the regulations or directives published in respect to those provisions;

authority: means CMA or any other public institution responsible for regulating the capital market in Rwanda;

bond trustee: means a person or entity that may be appointed, with fiduciary obligations to the bond issuer to enforce the terms of the bond issue and is responsible for the registration, transfer and payment of bonds and to monitor bond documents requirements;

securities broker or broker: means a professionals who connect sellers and buyers in the financial market.

Central Bank: means the National Bank of Rwanda;

CMA: means the Capital Market Authority of Rwanda;

CMA Law: means the Law establishing the Capital Market Authority of Rwanda and any Law that subsequently amends, or repeals or replaces that Law together with any regulations, Orders, directives, or instructions which are in accordance with that Law;

capital market: includes the issue, offer, sale, purchase, transfer of any securities or financial instruments to which this Law applies to the public or section of the public and the trading of such securities with the public or section of the public, whether traded on a public, restricted or private trading platform, via other electronic means, or in the OTC market, and includes any other activities as provided for by the related relevant legal instrument

capital market activity: includes any activity that involves, or is undertaken in connection, with:

an invitation to subscribe for, or the offer or issue of securities whether to the public, or to any section of the public. It includes natural persons or entities whether through electronic trading, digital platforms or through any other modalities or means;

the trading of securities on the capital market, and exchange or on any other market recognised by CMA;

activities of any intermediary in the capital market, exchange, or on any other market recognised by CMA except to the extent that such activities are specifically exempted, authorised and governed by other organs in accordance with relevant Laws of Rwanda;

dealing in securities other than as principal as a purchaser or seller on a licenced or exempted exchange or other market recognized by CMA;

the provision of investment advice in relation to securities to which this Law applies;

arranging transactions or deals in securities or acting as an underwriter;

depository, safekeeping, custody and administration of assets;

acting as a trustee or depository in the capital market in connection with securities, or entities or vehicles engaged in the issue of securities, CIS, REITs, trusts, or special purpose vehicles issuing asset backed securities or holding the assets of a REIT or for an asset backed securities transaction and includes a note or bond trustee and a security trustee;

establishing, managing securities, or issuing vehicles, including REITs or special purpose vehicles issuing asset backed securities or holding the assets of an asset backed securities transaction;

exercising any right conferred by any securities to acquire, sell, subscribe for, underwrite or convert securities, except when acting only as a principal;

using digital or electronic means for the giving of investment instructions, or to effect a transaction, when not acting as principal, and

except a principal, dealing, trading or advising in derivatives products (futures, options, swaps, forwards, contract for difference, and any other transaction in respect of an underlying or reference asset or a reference value that is, or in future becomes, the subject of recurrent contracts in the derivative market);

safekeeping, clearing and settlement of securities, derivatives, including OTC derivatives;

providing credit rating services;

advising on corporate finance in relation to the issuing or trading in securities to which this Law applies;

undertaking investment management, except as principal or on behalf of wholly owned entities;

dealing in borrowing and lending of securities, money market instruments, units, share or other form of participation in collective investment schemes, and any other instruments as CMA may define in a regulation or directive;

use of new technologies affecting any capital market business activities, and innovations or new business models as CMA may determine from time to time in a regulation or directive, or

any other activities specified in regulations or directives published by CMA to be capital market activities,

but does not include:

as principal, dealing, or trading in OTC derivatives products;

as principal, dealing, trading or advising on, leveraged foreign exchange trading, or

any activities that are excluded or exempted as CMA may determine from time to time in a regulation or directive, including activities that may be excluded or exempted on conditions or for a limited period of time

capital market business: means engaging in any business that involves an activity that would constitute a capital market activity or is part of the capital market industry in Rwanda;

capital market independent review panel: means the review panel established under this Law and any similar review panel or body that it replaces aimed at reviewing decisions taken by the Authority and any other matter related to the capital market;

capital market industry: means the industry, persons, entities, and activities involving, or connected with, the financial market where business enterprises, and Government can raise financing through the issue or offer of any form of securities, and where persons or entities and other investment structures can invest in, or trade securities. It also includes all forms of collective investment schemes and includes all capital market activity and engagement in capital market activity;

capital market participant: this includes:

a representative and any person or entity that undertakes a role as part of a capital market activity or business or in the capital market industry but does not include a person or entity that only transacts on an exchange or in an over the counter exclusively on its own account as principal, unless otherwise regulated under this Law or any related Law;

a provider of expert services or any professional or others connected with the capital market industry;

a representative or employee or director of a self-regulating organisation or those involved in the delivery of a service or advice via digital means or artificial intelligence, where specified; in this Law or in any regulation or directive published by CMA, and
an employee or director or officer of any person or entity or any other person or entity where specified or regulated in this Law or in any regulation or directive published under this Law or any related Law, but does not include an exchange, clearing house or credit rating agency.

CIS Law: means the Law governing collective investment schemes and any Law that subsequently amends, repeals or replaces that, Law;

clearing house: means an institution other than the issuer that clears and settles transactions in securities;

collective investment scheme or CIS: means a scheme where there is an arrangement for collecting and pooling funds from investors or participants for the purpose of investment in the interest of each participant or investor represented by his or her proportional ownership in the scheme regulated under the CIS Law or other similar law;

commodity: means:

- i. agricultural, livestock, fishery, forestry, mining or energy goods and any other products that are manufactured or processed from any such goods;
- ii. any other products as may be determined by the Authority and published in the Official Gazette to be the subject of a commodity contract.

, commodity contract: means

- i) spot commodity contract;
- ii) forward commodity contract;
- iii) commodity derivatives trading contract;
- iv) such other commodity contract or class of commodity contracts as may be prescribed by the Authority;

commodity derivatives trading contract: means:

a contract by which one contracting party agrees to deliver to the other party a commodity specified in the contract, or a specified quantity of that commodity, at a specified future time and at a specified price payable at that time, pursuant to the terms and conditions of the rules of the commodity exchange and related contracts specified in that contract;

a contract by which the parties must discharge their obligations under the contract by settling the difference between the value of a specified quantity of a specified commodity agreed at the time of the making of the rules and at a specified future time, such difference being determined in accordance with regulations governing the commodity exchange and related contracts governed by that contract;

commodity exchange and related contracts market: means a market at which, or a facility, whether electronic or otherwise by means of which, offers or invitations to sell or purchase commodity contracts are regularly made, being offers or invitations that are expected to result, directly or indirectly, in the acceptance or intention to sell, purchase or come up with commodity contracts, whether through that market, facility or otherwise, but does not include:

- i. the office or facilities of a commodity dealer;
- ii. the office or facilities of a clearing house.

community benefit company, or CBC: means a company with primary social objectives whose surpluses are re-invested, for that purpose, in the business or in the community rather than being driven by the need to maximize profit for its shareholders or owners

credit rating agency: means a company or other person, entity or organisation registered that carries on the business of analysing, reporting, monitoring or the issuing of ratings, reports or opinions on the credit worthiness or other risks of a company or for securities offered, issued or traded in the capital market in Rwanda, or other activities designated by CMA by regulation or directive;

custodian: means a bank licenced by the Central Bank, or company, that carries on the business of undertaking the safekeeping of another person's, a CIS's, a trust's, a partnership's, or a fund's property, including securities, and administering activities related to securities or issuers and may include acting as a trustee or any other activity designated by CMA by regulation or directive;

dealer: means a person who is a member of an exchange licenced by the CMA, who carries on the business of buying, selling, dealing in, trading or underwriting securities as an agent for investors in return for a commission or other payment, and whether or not that person carries on any other business, but:

does not include a person who engages in the activity only on its own account as principal, or as an employee on behalf of an employer where the employer engages in the activity only as a principal for its own account, and is not an underwriter and may include a person specified in a regulation or directive who operates via electronic or digital means or platform or via another modality;

dealing in securities: means entering into with, or offering to, any person, or inducing or attempting to induce any person to enter into, or to offer to enter into:

any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities;
any agreement the objective of which is to secure a profit to any of the parties from the yield or other gain from the securities or by reference to the fluctuations in the price of the securities or any index;

debenture: means a written acknowledgement of indebtedness issued by a company in respect of a loan made or to be made to it or to any other person or money deposited or to be deposited with the company or any other person or the existing indebtedness of the company or any other person whether constituting a charge on any of the assets of the company or not;

depository: means a company or other corporate body licenced to provide supervisory oversight over a CIS which may take custody of the assets of the CIS. and may include a securities depository or custodian or trustee;

derivatives: means securities or financial instruments that derive their value from the value of underlying assets, indices, currencies, or interest rates that are transacted on a securities exchange or derivative exchange or OTC markets;

derivatives broker or derivatives dealer: means a person admitted into membership of an exchange licenced by the CMA to engage in the business of trading in exchange traded contracts as an agent for investors in return for a commission and on its own account;

derivatives exchange: means an exchange for securities that has been licenced by CMA to list or operate a market for exchange-traded derivative contracts under this Law or relevant legal instruments and may be a specialised exchange or a securities exchange licenced to trade derivatives and may include an OTC market;

derivatives market: means a place at which, or facility, whether electronic, digital or otherwise by means of which offers or invitations to sell, purchase or exchange, exchange-traded derivative contracts are regularly made on a centralized basis, but does not include:

the office or facilities of a derivatives broker and, or dealer, or

the facilities of a clearing house;

directive: means orders, directions or prohibitions of acting in a certain manner designed for a natural person or legal entity issued under CMA Law, this Law or any related Law that nominates CMA as a competent authority or as a regulator or otherwise authorises to act or issue;

director: means a member of the Board of Directors, whether a shareholder or not, being appointed by shareholders to make follow-up on the management of a company;

document: means a written, printed, or electronic matter that provides information or evidence or that serves as an official record.

entity: means a cooperative, company, public body, institution or other organisation with legal personality and the trustee of a trust, and other business, structure or arrangement specified to be an entity to which this Law applies in any regulation or directive issued by CMA or that issues securities subject to this Law;

exchange or securities exchange: means a market, securities exchange, derivative exchange, securities organisation or other place or platform whether physical, electronic or digital at which securities are offered for sale or purchase or exchange and may include any clearing or settlement or transfer services connected with, or any other activity or modality provided for, or exempted, in regulations or directives published by the CMA under this Law or any related Law and may include an OTC market but does not include a commodity exchange;

exchange traded derivative contracts: means a standardized type of securities or instruments which derive their value from the value of underlying assets, indices, or interest rates that are transacted on a licenced derivative exchange and may include an OTC market;

exempted offer: means any offer or issue of securities that is exempted from the application of this Law in whole or in part by this Law or by any regulation or directive issued by CMA, or under the regulatory sandbox framework;

exempted person or exempted entity: means a person or entity specifically exempted from the application of this Law, or a person or entity approved, authorised or licenced under this Law to conduct capital market activity that has been exempted in whole or in part from the application of any provision of this Law, or under the regulatory sandbox framework;

expert: means a person whose profession, occupation, religious standing, expertise or reputation gives authority to a statement made by that person in relation to that matter or opinion or may be required under this Law to provide a statement or a report in such a capacity;

family office: means a financial services private company or team of advisors that provide comprehensive financial and personal services to high-net-worth families.

financial instrument: includes
all types of securities:

managed investment schemes, certificates of interest or beneficial interests, commodity connected products, contracts and warehouse receipts as provided for in this Law or any regulations or directives published by the CMA. However, commodities and warehouse receipts shall only be included to the extent that they are not currently regulated by specific laws regulating commodities and warehouse receipts.

fund administrator: means a person who acts as an agent or delegated party in connection with carrying out the day to day administrative arrangements for a pension fund in respect of capital market activity, or another fund or scheme, managed investment, collective investment scheme or for another form of investment vehicle and may include the trustee of such a fund, or capital market activity, or person engaged in capital market activity or transactions designated by CMA in a regulation or directive;

futures broker, or futures dealer: means a broker or dealer involved in the dealing of futures contracts;

futures contract: means a standardised agreement to buy or sell any specified security or other financial instrument or commodity for delivery or settlement in the future at a price that is agreed on when the contract is made and which obligates both parties to fulfill the contract at the specified price and may be settled by delivery, cash or netting or offset at derivatives or other exchange, and may include an OTC market, approved or licenced by CMA, and includes a forward contract;

futures member: means a member of a futures exchange;

Government includes the Government of the Republic of Rwanda, or the national government of any foreign country;

Information memorandum: means any document, notice, circular or advertisement or request issued in a newspaper, electronic media or via any other method of communication, or other modality that invites applications for the issues from the public or section of the public to acquire, subscribe for or purchase a share in or debenture of a company or proposed company, or any other securities, that the CMA has, or may, under Article 64 of this Law permit to be filed in lieu of requiring the approval of a prospectus and includes any supplemental information memorandum;

insider: means any person who, is or was connected, or under this Law is deemed to have been connected, with a company or entity, or other issuer or issue of securities, who is reasonably expected, or has, by virtue of such connection to have access to unpublished information which, if generally available, would be likely to materially affect the price or value of those securities, or a person who has received or had access to such unpublished information;

investigation: includes any inquiry or information searching and gathering action conducted by the CMA or any person or other entity on behalf of the CMA:
for the purposes of seeking information about practices that may not comply with this Law or any other related Law, and

to determine whether any person has committed any regulatory violation or breaches of any laws of which the CMA is the regulator or one of the regulators, or to assist another authority inside or outside Rwanda in accordance with a cooperation arrangement between the authorities, as well as compelling the provision of information related to the matter or activity from any person or entity;

Investment advisor: means any person or entity other than a bona fide officer, director, trustee, member of an advisory board or employee that by means of a document, notice, email, circular, advertisement or request issued in a newspaper, electronic media or via any other method of communication, or other modality, for a fee, payment, commission or remuneration:

carries on a business of advising others on the merit of investment in securities, including as part of another business;

as part of a regular business, issues or publishes by any means of communication analysis, reports or recommendations concerning investment in securities;

under an agreement, contract or arrangement with a client undertakes on behalf of the client the management of a portfolio of securities for investment, where the total value of the portfolio does not exceed the amount provided in any regulation or directive published by CMA but does not include a portfolio where the investment in securities is merely incidental to the total make up, or investment of the portfolio or is for temporary purposes;

such other persons or entities as may be determined by CMA through a regulation or directive:

investment bank: means any non-deposit taking institution or other financial institution licenced or authorised and any financial institution that is licenced by CMA to undertake any, or all, of the following activities:

advising on or in connection with offers or issues of securities or the structuring of transactions;

advising on or participate in takeovers, mergers, amalgamations, acquisitions or listings, including by way of introduction, or corporate restructuring that involve listed companies or securities listed or quoted or to be listed or quoted on any securities exchange or to which this Law applies, or

underwriting any such securities to be issued or quoted or acquired;

engaging in the business of a securities broker or dealer:

engaging in the business of a trustee, custodian or depository or acting in any other capacity subject to requiring approval or licensing by the CMA under this or a related Law;

acting as a servicer, manager or administrator or in other capacity in connection with a securitization transaction of the establishment or operation of any special purpose vehicle, REIT, unit trust or managed investment scheme;

undertaking portfolio management, and

undertaking such other capital market activity or business, or activities in the capital market industry.

investor: means the original and any subsequent acquirers of securities whether listed or not in a secondary market, and any person who has held the securities;

interest in shares or securities: means a connection, holding or association, directly or indirectly, with the ownership or an entitlement to benefits from the ownership of shares or securities as defined in any regulation or directive published pursuant to this Law;

Introduction or listing by way of introduction: means the listing in Rwanda on a licenced exchange of securities that are listed on another securities exchange or that are publicly held other than as a result of an immediately preceding public offer.

investment company or investment trust: means a collective investment scheme or managed investment scheme organized as a company or a trust in which the rights of participants are represented as shares or entitlements to part the income, profits or assets of the company or trust or structured as an investment partnership or a contractual investment scheme;

Islamic securities: securities structured in accordance with Islamic principles for finance for which CMA has published specific regulations or directives;

issuer: means the person or entity by whom securities have been issued, or are to be issued, and includes a company or other legal entity or the trustee of a trust or for a special purpose vehicle that offers securities to the public or a section of the public in Rwanda and includes any person or entity, party, business, manager of a CIS, or issuing arrangement or structure determined by a regulation or directive published by the CMA to be an issuer;

Law Governing Companies: means the Law Governing Companies and any Law that subsequently amends or on repeals replaces that Law together with any Regulations, Orders, directives or instructions issued under such Law;

listed or listing: means that the securities are listed on an exchange licenced or authorised to operate in Rwanda and may include an over the counter market;

local government: means the decentralized government and their instrumentalities with legal status in Rwanda;

long-term financial instrument: means any financial instrument that is for a term exceeding one year or any financial instrument that on maturity automatically rolls over for a period or periods that in aggregate exceed one year.

managed investment scheme: means a scheme or arrangement for collective investment in securities, or other assets however structured, or one that is declared to be a managed investment scheme by regulation or directive of CMA;

manager: means a person or entity appointed or acting as the manager of a CIS, a managed investment scheme or special purpose vehicle or pursuant to any regulation or directive;

Minister: means the Minister in charge of Finance

mortgage-backed securities: means asset backed securities issued as part of a securitization transaction where the assets backing the securities are predominantly mortgages over residential properties;

note trustee: means a person or entity that may be appointed as trustee for securities holders and whose role includes the holding of the assets, including the benefits or warranties and covenants and taking action, on behalf of the investors in the securities as the beneficiaries and undertaking other functions;

offers to the public and public offer: mean issues and offers of securities as provided for in Article 62 of this Law;

over the counter or OTC: means the trading of securities, except on an exchange or market that is otherwise approved or licenced by CMA under this Law or a related Law or is traded in a manner or modality designated by CMA in a regulation or directive to be an OTC market;

paying agent or issuing agent: means a bank or other financial institution licenced or authorised by the Central Bank, or licenced by CMA, appointed to undertake issuing or paying functions in connection with an issue of securities;

person: means a natural person or any legal person;

prescribed form: means a form prescribed by regulation or directive of CMA and containing and having attached such information as this Law, a related Law and the regulation or directive may require.

promoter or sponsor: means any person whether acting alone or in conjunction with others who directly or indirectly takes the initiative in forming or organising the issue of securities or another financial instrument regulated by this Law and earns a benefit as a consequence of the issue of the securities, but does not include an underwriter or issuer or any director or officer of the issuer or person acting in the capacity as an expert to the issue or other professional advisor to the issuer or underwriter acting solely in that capacity;

prospectus: means a document, notice, circular, advertisement or request issued in a newspaper, electronic media or via any other method of communication, or other modality or form that invites applications or offers from the public to acquire, subscribe for or purchase, or offers to the public the issue or for subscription or purchase, a share in or debenture of a company or proposed company; or any other securities, and includes a statement attached to or intended to be read with the prospectus.,

public institution: means parastatals, government owned authorities or bodies and state corporations incorporated under Rwandan or foreign laws;

public notice: means a notice published in the Official Gazette of the Republic of Rwanda or a newspaper or through any other electronic means as approved by the CMA;

qualified: means that the entity or person that holds the required licence, authorisation, approval or exemption to undertake the capital market activity, or exchange or market or to be engaged in the capital market industry or for the role to be undertaken or to be employed in a position;

qualified institutional investor: means a licenced institutional investor or professional investor including a fund or foreign investor that is well informed about the inherent risks and returns of investment in securities or any particular type of securities;

registrar: means a licenced company or other person or entity engaged by a company or any issuer of securities, trustee or manager of, or for, an issuer or special purpose vehicle for keeping the register of members, shareholders or holders of, or investors in, securities and may perform other related auxiliary functions in relation to securities;

REIT, or real estate investment trust: means an arrangement, entity or structure, including a trust, of real estate or an interest in real estate of any description that is structured in accordance with the regulations or directives published by the CMA in relation to REITs whose objectives are to enable a person to invest in or become an owner of real estate, or any part of it, or to otherwise participate in or receive profits arising from the acquisition, holding, management or disposal of real estate or an interest in real estate or sums paid out of profits or income;

REIT manager: means a person approved or licenced by CMA to provide management services to a REIT;

regulatory sandbox framework: means the application of a procedure or process as provided for in this Law which for the purposes of allowing innovation and the development and the testing of changes in technology, services, activities, products, or permits CMA to:

provide a waiver or to exempt, subject to conditions or meeting requirements or tests, certain eligible persons or entities, securities or processes or activities from compliance in whole or in part with provisions of this Law, including licensing. or

provide for special terms, conditions, or limits to apply, and

publish regulations or directives in relation to the use of the regulatory sandbox process or procedure;

responsible person: means a person who by any regulation, directive or Order is specified to be a person pursuant to Article 68 of this law.

securities: means any tradeable securities, irrespective of their currency, and includes:

shares in the share capital of a company and referred to in this Law as, “shares;”

any instrument creating or acknowledging indebtedness that is issued or is proposed to be issued and referred to in this Law as, “debt securities” and includes:

bonds;

debentures;

debenture stock;

loan stocks;

certificates of deposit;

commercial paper;

Treasury bills and other securities issued by the Government of Rwanda or by the Central Bank;

other debt securities including, subordinated and limited recourse debt securities issued by a trustee in respect of a trust, and

other instruments creating or acknowledging a present or future indebtedness;

loan stock, bonds, municipal bonds, and other instruments creating or acknowledging indebtedness issued by or on behalf of the Government of Rwanda, the Central Bank, local government or public institution, referred to in this Law as, “government and public institutions”;

rights, options or instruments, whether described as interests, participations, entitlements, or otherwise, in respect of such shares, debt instruments, government and public institution securities; any other securities;

interests, rights or property, whether in the form of an instrument or not commonly known as securities;

rights under any depositary receipt in respect of shares, debt securities and warrants, referred to in this law as depositary receipts;

any right conferred by warrant or otherwise to subscribe for shares or debt securities, referred to in the Law as, “warrants”, and may relate to current or future rights or securities;

futures in respect of securities, other assets or property;

certificates representing any securities in other or other right or instruments that confer contractual or property rights in respect of any securities held by any other person other than the person to whom the rights are conferred by the certificate or instrument and the transfer of which may be effected without the consent of that person;

units or participations in a collective investment scheme, including shares in an investment company or investment trust, contractual co-investment rights, or in a managed investment scheme or other similar entities or investment vehicles, whether established in Rwanda or not, but does not include, except where specifically provided for in this Law, units, participating, shares or contractual rights in a collective investment scheme that is licenced or exempted under the CIS Law;

securities and collective investment scheme products or instruments structured in conformity with Islamic principles for investments there such principles are recognised or approved by CMA, whether established in Rwanda or not, but does not include, except where specifically provided for in this Law, units, participating, shares or contractual rights in a collective investment scheme that is licenced or exempted under the CIS Law, except where this Law specifically applies;

derivatives or contracts for difference being rights under a contract for differences or under any other contract for the purpose of securing a profit or avoiding a loss resulting from fluctuations in the price of securities, property or an index used in a capital market during a specified period of time or resulting from other factors or provided for in the contract;

asset backed securities and mortgage backed securities;

investment instruments in REITs, however structured;

long term insurance contracts but does not include:

where the benefits, under the contract, are payable only upon the death or on incapacity due to accident, sickness or infirmity of the insured party;

the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium; or

the contract does not make provision for its conversion or extension that would result in non-compliance with i or ii, above;

any other instrument specified in a regulation or directive published by CMA to be securities for the purposes of this Law but does not include:

securities of a private company that are not offered to the public or section of the public; bills of exchange; promissory notes, other than if structured as asset backed securities; or certificates of deposit issued by a bank, and any other instrument or securities specified in any regulation or directive published by CMA not to be securities for the purpose of this Law or for the application of any provision of this Law, and

xvii. any other instrument of a similar or comparable nature arising from the development and emerging of new products, innovations and new business models;

security trustee: means a trustee that may be appointed to hold security, by way of a mortgage, pledge or other collateral over the assets of the issuer or a special purpose vehicle, or other person or entity in relation to securities by way of a pledge, charge, mortgage or other method of taking security or collateral;

securitization or securitization transaction: means:

an arrangement or the process which involves the direct origination into or the transfer of assets, moveable or immovable, to a special purpose vehicle where the acquisition or transfer is primarily funded by the issue of securities to investors and where the payment of the return including the return of capital to the investor is intended to come primarily, directly or indirectly from the cashflows of the assets of the special purpose vehicle, and

any transaction or arrangement that CMA in a published regulation or directive declares to be a securitization transaction for the purposes of the application of this Law;

self-regulatory organisation or SRO: means an organisation whose objective is to regulate the practices, standards, ethics or operations of its members or the users of its services to preserve financial and market integrity and facilitate best practice via enforceable rules and includes the organisations that may be recognized by CMA or required to be licenced or approved and many include and exchange or other trading platform or method of trading or offering securities for sale or purchase or professionals or others that play a role in the capital market or in relation to the issue or trading in securities;

“Senior manager” means an individual other than a director who is employed by a firm to whom the governing body of the firm has given responsibility, either alone or jointly with others, for management and supervision and who reports either directly to the governing body or to the chief executive or to the head of a business unit or to equivalents thereof.

shares: means a share in the share capital of a company;

shelf registration: means an approval or other arrangement provided for under this Law that permits the approval or registration of a prospectus or information memorandum where the securities are not intended to be offered immediately that permits the offer of the securities the subject of the shelf registration to be offered within the stated period and subject to any conditions specified;

sophisticated investor or professional investor : includes an investor that is:

licenced under this Law;

a collective investment scheme licenced under the CIS Law or equivalent law of a foreign jurisdiction;

a bank or subsidiary of a bank, insurance company, cooperative society, licenced or approved pension or retirement fund or other statutory fund, or

an individual, company, incorporated entity, partnership, association, or a trustee on behalf of a trust which, alone or with any associated entity or person on a joint account subscribes for securities with an issue price in excess of an amount that may be set by CMA by regulation or directive, or

any other person specified by CMA in a regulation or directive to be a sophisticated investor.

special purpose vehicle: includes a trust or incorporated entity established for the purpose of holding assets and issuing securities that does not itself conduct a business, but does not include a REIT or any other vehicle that CMA declares not to be a special purpose vehicle;

substantial control or substantial interest: means the power of an individual to make significant decisions for a company or owns a significant interest in the company;

substantial shareholder or substantial securities holder: any person or entity who is the beneficial owner of, or is in the position to exert control over such percentage of the shares in a body corporate, debentures or units or other interests in a REIT or trust or other structure that issues securities subject to this Law as specified in regulations or directives of CMA and may include substantial holders in a listed CIS;

takeover: includes:

an offer to acquire or the acquisition in, whole or in part, the shares in a listed company by another company, person or entity;

an offer to merge or a merger of two companies, one of which is listed or the merger of a listed company with another person or entity;

an offer to amalgamate or amalgamation of two companies, one of which is listed or the amalgamation of a listed company with another person or entity,

an offer or scheme of rearrangement by a listed company to purchase or buyback its shares or debentures or to swap those shares or debentures for other shares or debentures or securities whether issued by that listed company or issued or to be issued by another person or entity;

any of the above which relate to listed equity securities issued by a trustee of a trust or providing an ownership or beneficial interest in a listed trust;

any of the above that relate to securities of a listed company, REIT, special purpose vehicle or other investment vehicle, however, structured;

other offers, acquisitions, restructures, schemes or arrangements which have a similar commercial effect or economic or legal outcome for investors;

any of the above that relate to unlisted public companies, trusts, special purpose vehicles or other investment vehicle, however structured that has more than 100 voting members;

any of the above that relate to a listed CIS unless exempted or waived by regulation or directive or provided for in the CIS Law or regulations, and

any other arrangement in relation to the change of a substantial control of securities or of a substantial interest that the CMA by regulation or directive determines that, in the interests of investors, for the operation of efficient and transparent operation capital market in Rwanda, or the capital market industry, it is desirable to regulate as a takeover.

tradeable: means that the securities are transferable or redeemable and includes securities that may be subject to restrictions or approvals on the trading or redemption that are included in the instrument or imposed by an exchange or by the CMA or any other regulatory or competent authority

transaction advisor: means a company licenced by CMA:

whose prime activity is to provide advice or to undertake the arranging or structuring of an offer or issue of securities, or the listing of securities, or an offer to acquire securities listed on an exchange by way of a takeover, amalgamation or merger of other restructure or such other activities related to the raising of funds via the capital market as CMA may determine; and

who may also be a sponsor or promoter depending on the extent of the roles that it undertakes and whether or not there is another party fulfilling the role as the sponsor or promoter.

trustee: means an approved or licenced body corporate that is appointed, or is a trustee by virtue of the operation of the Law Governing Trusts, in respect of any securities; CIS, REIT or any other trust in relation to the issue, as custodian of assets, operation or management of securities in this Law or in any relevant Law.

trust and company service provider, or TCSP: a sole proprietor or a legal person licensed by the Central Bank to undertake any of the following activities:

acting as a corporate or partnership formation agent;

acting as or arranging for another person to act as a director, secretary or senior manager of a company or a partner of a partnership or as a foundation senior manager;

providing administration or management of a trust, company, partnership, foundation or for any other legal person or legal arrangement;

providing registered office, business address or accommodation, correspondence or administrative address for a company, partnership, foundation or for another person;

acting as a resident agent for the purposes of meeting requirements to hold beneficial ownership or interest information;

acting as or arranging for another person to act as a trustee of an express trust;

acting as or arranging for another person to act as a nominee shareholder for another legal person,

underwriting: means the purchase or commitment to purchase or distribute securities by dealers or other licenced persons in relation to the placement, issue, offer or acquisition of securities for immediate or prompt public distribution of securities where the commitment may be firm or based on best efforts or other conditions and includes a sub-underwriter;

unit trust or managed investment scheme: includes:

any scheme or arrangement in the nature of a trust or contractual arrangement, however structured, managed by a third party, in pursuance of which the public are invited, offered or permitted as beneficiaries under the trust or otherwise as participants, to acquire an undivided share, right or entitlement or a contractual interest in one or more groups or blocks of specified assets and to participate proportionately in the income or profits derived from those assets or business activity but does not include a CIS which complies with the requirements of the CIS Law or is exempted from compliance;

any arrangement declared by CMA in a regulation or directive to involve the issue or trading in securities and to be a unit trust or managed investment scheme that is not otherwise governed by a provision of this Law or any related Law, but does not include any arrangement declared by CMA not to be a unit trust or managed investment scheme.

warehouse receipt system: means a system that provides evidence that specifies the quantity of commodities and states the quality that were deposited at a particular warehouse by a named depositor.

CHAPTER II: REGULATION OF THE CAPITAL MARKET, CAPITAL MARKET ACTIVITY AND CAPITAL MARKET INDUSTRY

Article 3: General requirements to engage in capital market activity or the capital market industry

A person or entity shall engage in a capital market activity, in capital market business, or the capital market industry in Rwanda only if that person or entity for that capital market activity is:

licenced, or recognised under complementary laws of another jurisdiction recognised by the CMA as provided for in Regulations
exempt or holds a CMA exemption;

authorised as a representative or employee of a licence holder.

The granting of a licence, authorisation, or exemption is subject to the making of an application to CMA and to any terms and conditions on which that licence, authorisation or exemption is granted as well as the provisions of this Law or any related Law to which it relates.

An applicant for any licence, authorisation or exemption must demonstrate that he or she is fit and proper, and if the applicant is not a natural person, then the directors and shareholders or other owners of the entity as well as their senior management must demonstrate that they are fit and proper persons, and that the person, entity or the business have adequate staff with the necessary skills and resources and controls to carry on the activity or otherwise has access to the required skills and resources.

The above requirements are in addition to any specific provisions provided for specific types or categories of licences, exemptions or authorisations.

However, the above requirements in this Article do not apply to a person, entity or other body that is exempted by a specific provision of this Law or by a regulation or directive.

Article 4: Person or entity engaged in capital market activity and capital market industry

A person or entity is engaged in a capital market activity, or the capital market industry if that person or entity carries out any capital market activity or business or engages in the capital market industry on a regular or permanent basis in, or from Rwanda.

Article 5: Issue of statement of principles and publishing of regulations and directives

CMA issue statements of principles and or publish regulations or directives with respect to the ethical standards, financial skills and resources and other requirements expected to be met by or persons or entities licenced, authorised or exempt or engaged in a capital market activity or the capital market industry or any activity or part or sector of the industry, including as an issuer, member of board or senior management of an issuer, expert, auditor, or investor.

Failure to comply with any statement of principles issued by the CMA may give rise to an offence or disciplinary actions as provided for in this Law or in the rules of any SRO that the person or entity is a member of or is subject to the SRO's rules.

Breach of, or failure to comply with, the principles, regulations, directives or rules or codes issued, or approved by CMA, shall not have the effect of invalidating any transaction, done, action or activity performed.

Article 6: Responsibilities of CMA in regards to capital market activity, business, and capital market industry

When regulating the capital market activity, business, and capital market industry, CMA has the responsibility to ensure:

promotion of high standards of integrity and fair dealing in the conduct of capital market activity or business and of the capital market industry, including any matter that might be covered or is covered in a statement of principles;

all persons and entities to act with due skill, care and diligence in conducting activities and providing services;

innovations and business models brought by new technologies;

the separation of client, customer and investors' monies and assets from the assets of the licenced, authorised or any exempted person or entity and requiring them to:

act fairly with clients and investors;

give due regard to the specific needs of each client or customer;

disclose any conflict of interest or related party association or connection in relation to any activity, transaction, advice, or information provided, or securities, and

disclose and provide relevant information as to how a party carries out investment related activities, provides advice or implements investment decisions or transactions so as to provide transparency and enable clients, customers or investors to make informed decisions.

that decisions made, or to be made, on price stabilization are made known to clients, customers, investors and to the market;

provision for disclosure to investors, potential investors and to the market, for continuous disclosure and reporting and appointment of auditors;

provision of public offers, issues, listing and trading in securities including as part of a takeover, merger amalgamation or other restructure of an issuer or issue of securities;

the qualification and regulation of experts;

the protection of the rights, interests, assets and property of third parties with respect to any licenced or authorised person or entity including:

a securities dealer or securities broker,

a transaction advisor,

any exchange or market;

a trustee,

a custodian or depositary,

paying or issuing agent,

registrar or note or bond trustee;

a security trustee;

any fund administrator,

any manager of an investment vehicle,

any investment advisor, representative or other capital market participant;

investment manager,

any investment bank,

a family office or

any person or entity who fulfills a similar, or like, role to the above or as part of the capital market industry as determined by CMA;

qualifications for employees, representatives or other market participants and other persons or entities engaged in capital market activity or business or the capital market industry or the ownership, management or operation of an exchange or market, including employees, directors and management;

make provision for compensation schemes for clients, customers or investors impacted and who suffer pecuniary loss including by the bankruptcy or insolvency of a licenced, authorised or exempted person or entity and may impose levies or fees to support such schemes;

the conduct of any capital market activity or business, including any part or sector of the capital market industry, including innovations or new modalities for issuance, trading or exchange or fintech;

keeping of proper records, publication and lodgement of accounts, financial statements and reports and for the inspection of such records,

the form and content of or relating to annual accounts, annual benefit reports or annual reports or special accounts and reports and audit reports;

qualifications for and approval of auditors as provided for in this Law or the CMA Law;

requirements for companies, protected cell companies, trusts, partnerships or any other form or business or activity in relation to the offer or issuance of, or trading in securities; and

any other matter as is provided for in this Law or any related Law or is ancillary or related to or necessary or in the opinion of CMA is desirable for the application, implementation, operation, monitoring, supervision or enforcement of this Law or a related Law.

Article 7: Powers of CMA in regards to capital market activity, business and capital market industry.

1. In regards to capital market activity, business and capital market industry, CMA has the following powers:

to publish a regulation or directive, to determine that an activity is or is not a capital market activity or would result in a person or entity engaging in the capital market industry.
to issue statements of principles in addition to any power to publish regulations or directives.
to adapt the principles to the specificity or the nature of the business of that person or entity, capital market activity or product or for the purpose of giving effect to the regulatory sandbox provisions of this Law;

waive, grant an exemption, or authorise non-compliance with any statement of principles, regulation or directive in order to recognise the specificity or the nature of the business of that person or entity, capital market activity or product, or for the purpose of giving effect to the regulatory sandbox provisions of this Law.

to impose conditions, including the requirement for reporting, renewal, and the payment of fees, when granting of a waiver or exemption.

to limit the time for which the waiver or exemption applies.

2. However, CMA may not exercise the powers conferred by this Article if it appears to CMA that any adaptation, waiver, exemption, or authorisation may adversely impact any investor.

Article 8: Exemption from licencing or authorisation requirements of this Law

Notwithstanding any other provision of this Law, the Central Bank of Rwanda and its employees are specifically exempted from the requirement to be licenced or authorised for any capital market activity

However, this exemption does not extend to:

any other person acting in connection with an offer or issue of securities by the Central Bank or an offer, or issue by, or where the Central Bank is acting on behalf of the Government of Rwanda or any Government of Rwanda connected person, entity, fund or government or public institution in relation to the offer or issue of securities or the subsequent listing or trading in those securities, or

the trading post offer and issue in the securities by a person or entity other than the Central Bank;

insider trading or market manipulation or other forms of market abuse and prohibited practices provided for in this Law, or

compliance with disclosure obligations specified by CMA in regulations or directives issued in relation to the offer, or any offer, to the public or section of the public of securities of the Government of Rwanda or of any Government of Rwanda connected person, entity or fund.

Article 9: Compliance and application to foreign persons and small entities or small issues

CMA may publish regulations or issue directives to be followed by a person before that person is licenced and may impose conditions.

A foreign person or entity operating under a foreign capital market authority may be licenced to carry out capital market activity or engage in the capital market industry in Rwanda if the foreign capital authority is recognised by CMA and where it is satisfied that the person or entity is regulated and licenced by a foreign capital market authority with equivalent powers and otherwise complies with any regulations.

CMA may publish regulations or directives to be followed by the foreign person before that person is licenced or exempted and may impose conditions.

CMA may licence or authorise a person or entity and publish regulations or directives that specify or limit the capital market activity or part of the capital market industry that the person or entity is licenced or authorised to undertake or operate in and may issue interim licences or authorisations.

CMA may exercise its powers under this Law and any related Law against any person to investigate or to ensure compliance.

CHAPTER III: LICENSING OR AUTHORISATION FOR CAPITAL MARKET ACTIVITY AND PARTICIPANTS

Article 10: Requirements for licensing, authorisation, exemption or application to CIS

A person or entity shall not carry out or be engaged in a capital market activity unless licenced by CMA, or holds an exemption, or that person or entity is authorised by CMA. Persons that require to be licenced include:

securities brokers;

securities dealers;

non-dealer brokers;

transaction advisors;

Investment advisors;

investment managers, but not managers currently licenced under the CIS Law in relation to activities conducted under that licence;

manager of investment vehicles, including a REIT or a special purpose vehicle;

managers in leveraged foreign exchange currency trading;

Investment banks;

trustees, including note and bond trustees, and security trustees;l trustees;

custodians ;

depositories;

fund administrators

registrars of securities:

securities exchanges, derivative exchanges

clearing houses for securities;

credit rating agencies;

leveraged foreign exchange brokers;

money managers involving leveraged foreign exchange trading ;

any other activity that may be assigned under this Law or any other Law, and

family offices

any other activity that CMA may, by publishing a regulation or a directive, determine to be an activity or role involving a capital market activity or being part of the capital market industry or a capital market business including relation to an activity conducted via a regulatory sandbox framework arrangement.

If any person or entity proposes to carry out or engage in an activity not covered by an existing licence, then an additional or altered licence must be obtained prior to commencing the activity.

Where a person is appointed as a representative or as a prescribed employee of a licence holder who is engaged in a capital market activity then:

the person or entity appointing must hold a current licence for the particular activity, and

b) the representative or prescribed employee must be authorised by CMA in respect of that activity.

4. All applications for a licence, exemption or authorisation must be:

made in accordance with the form as published in regulations or directives by CMA;
be accompanied by the required fee, and must specify the category or type of activity, or activities, for which it seeks to be licenced, exempted or authorised. An application may be for one or more categories or types of activities.

A person or entity that has been granted and has a current licence or holds an exemption for that activity is permitted to carry out the capital market activity of the category specified in the licence subject to complying with any conditions imposed.

CMA determines the criteria for the structure of an applicant as the CMA considers appropriate for the category or type of capital market activity to be conducted including, requirements relating to financial, systems and other resources, skills and the management of risk and continuity of the activity and business.

CMA publishes regulations specifying the requirements to obtain and to maintain a licence for specific capital market activity and the factors that it may take into consideration in assessing an application.

Where applicant for a licence is a corporate body or other type of business entity it must have and maintain staff with the necessary balance of skills and its owners and senior management must be fit and proper persons.

Where a requirement for a licence includes minimum financial or other requirements then a licence may only be granted and is conditional upon licence holder meeting, and continuing to meet, those requirements.

Criteria, conditions, or requirements may be imposed at the time of the granting renewal of a licence, exemption or authorisation and may be amended, waived, or withdrawn as provided for in this Law.

A licence, exemption or authorisation may be amended, suspended, or withdrawn in whole or in part as provided for in this Law.

A person or entity licenced or authorised to conduct capital market activity under this Law or to carry out any activity or business to which this Law applies must comply with the requirements or this Law relating to renewals and pay such annual or other fees as are specified under this Law or any regulation or directive.

The requirements for licensing under this Law do not apply to persons or entities that are licenced under the CIS Law for activities and roles that are authorised and are only conducted under the CIS Law except where this Law specifically provides

Article 11: Grant of licence, refusal, suspension or withdrawal of a licence, exemption, approval or authorisation

CMA may grant a perpetual licence or a licence for any period specified in the licence.

Upon application for a licence, CMA takes a decision to refuse the grant of any licence or authorisation. However, CMA shall notify the applicant in writing of its decision and provide details of the grounds on which its decision was made.

CMA may at any time alter or impose additional conditions, suspend or withdraw any licence or authorisation granted if CMA has reason to believe that:

the person or entity is not a fit and proper person to carry out the capital market activity or to be engaged in the capital market industry or any specific capital market activity or part of the capital market industry, or

the licenced, exempted, or authorised person or entity has violated any provision of this Law or any other relevant laws or has provided CMA with false, inaccurate, or misleading information, or

The licensed, authorised or exempted person or entity has failed to comply with directives, statements of the Authority or failed to do so in timely manner.

CMA shall notify the person or entity in writing of any decision not to renew, to suspend or withdraw a licence, exemption or authorisation, impose conditions or alter conditions and provide details of the grounds on which its decision was made.

Subject to any right of appeal any amendment, suspension or withdrawal of a licence or authorisation takes effect on the date specified by CMA.

Any notification made under this Article shall advise the person or entity concerned whether, or not, there is a right of appeal against the decision before the Capital Market Independent Review Panel.

Where there is no right of appeal to the Capital Market Independent Review Panel then:

CMA must notify the public of the suspension or withdrawal or the imposition of conditions, and

the licence or authorised party must immediately upon receiving notice from CMA of the amendment, suspension or withdrawal of a licence or authorisation provide written notice to its customers of the change and publish a notice on its website and issue a public notice.

A suspension must be for a specified period and subject to compliance with conditions or the remedy of the cause. If the conditions are not satisfied within the specified period or a remedy of the cause implemented, then CMA may:

extend the period of suspension and for rectification; or

apply the provisions this Law relating to withdrawal, withdraw the licence or authorisation.

Where a person or entity has a right of appeal then CMA may in any interim period until any appeal has been determined impose such conditions or restrictions as are reasonably necessary to protect investors, clients, or customers or to ensure the orderly and transparent operations of the capital market in Rwanda.

During the period of any suspension of a licence or authorisation the person or entity:

may not conduct any capital market activity covered by the licence, exemption or authorisation;

undertake any activity or role in the capital market industry covered by the licence, exemption or authorisation;

dispose of any of the person or entity's assets or rights or those of its customers without the express written approval of CMA, and

continues to be liable and required to comply with all of obligations under this Law.

If CMA imposes conditions on a licensee or authorised party or person or entity holding an exemption, then the party must comply with the conditions. Failure to comply with the imposed conditions may lead to CMA suspending or withdrawing the licence or authorisation.

Upon on the request of any concerned party where it considers that it is justifiable, CMA may modify any conditions, suspension, or withdrawal of a licence. However, CMA may impose conditions on its modification, suspension or withdrawal.

Any amendment, suspension or withdrawal will not prejudice the rights of:

- a. CMA to initiate or continue any investigation or action for a breach, or
- b. any other person to exercise any other rights under any Law.

Article 12: Request for renewal, withdrawal of application, suspension, withdrawal, cancellation or alteration of a licence or authorisation

An application for a licence, renewal, exemption or authorisation may be withdrawn by an applicant at any time before it is refused or granted.

Any licensee or authorised party holding an exemption may request amendment, suspension or withdrawal of a licence, exemption or authorisation. An application for amendment shall for the purposes of this Law be considered as being an application for a new licence or authorization.

Any amendment, suspension or withdrawal at the request of a party will not prejudice the rights of:

CMA to initiate or continue any investigation or action for a breach where it determines that it is in the public interest, or

any other person to exercise any other rights under any Law.

The amendment, suspension or withdrawal of a licence or authorisation takes effect on the date specified by CMA.

A licensee or authorised party must immediately upon the amendment, suspension or withdrawal of a licence or authorisation provide written notice to its customers of the change and publish a notice on its website and issue a public notice.

Where the authorised person is a representative or an employee of a licensee and the authorisation is amended, suspended or withdrawn or the person's employment ceases, or is terminated, then the licensee must notify CMA immediately and publish notice on its website.

CMA must publish details of any amendment, lapse, suspension or withdrawal of a licence or authorisation in the register maintained by CMA and on CMA's website as soon as practical and may indicate if the decision or event is or may be subject to appeal.

Article 13: Maintenance of a register of licenced, exempted and authorised persons and entities

CMA must maintain a register available for public inspection of licenced or authorised persons or entities, as well as any person or entities holding an exemption together with any details of suspensions or withdrawals.

The register shall be updated as soon as practicable after any change and shall clearly state the activities that are the subject of the licence and include details of any conditions.

A list of current licenced, approved, authorised and persons and entities holding exemptions shall be maintained on the CMA's website.

The requirement to include details of exempted person or entities does not apply to persons or entities specifically exempted by this Law.

Article 14: Granting of a licence, exemptions, authorisations, applications for renewals, or extension and lapse of licences and exemptions with activation or operational conditions

On receipt of an application for a licence, authorisation, for an exemption or a renewal CMA is empowered and may:

refuse the application for the licence or renewal of a licence;

grant a licence, renewal, exemption or authorisation to engage in some or all of the capital market activity the subject of the application;

grant a perpetual licence or grant a licence for any period it specifies;

grant the licence, renewal, exemption or authorisations subject to restrictions or conditions;

grant a licence, renewal or exemption conditional upon it lapsing if not activated and made operational within a specific period of time;

grant conditional or restricted licences and limited exemptions or authorisations;

grant a licence, exemption or authorisation or renew on a restricted or interim basis or for a limited period of time;

Licences granted subject to a requirement for renewal must be subject to a renewal application and renewed prior to the expiry of the licence unless the CMA grants and extension period.

A licence, renewal or exemption that is granted subject to any requirement that it be activated and made operational within a specified period of time will automatically lapse on the expiration of the time specified unless the person or entity granted the licence, prior to the date of expiry, seeks an extension of the time period for activation and making operational, pays the prescribed fee, and provides such evidence as the CMA requires to support the application:

Subject to compliance with paragraph 3 of this Article 19, the CMA may in its absolute discretion decide whether or not to grant an extension, and the provisions of Article 20 do not apply to a decision by the CMA not to grant an extension.

A person or entity whose licence or exemption has lapsed or in respect of CMA has not granted and exemption is not prevented from making a fresh application for a licence or exemption.

CMA shall not refuse to grant a licence, renewal, extension, exemption or authorisation without giving the applicant or holder of the licence the opportunity of being heard.

A licence or exemption granted, extension, or authorisation, subject to the lodgement of any renewal or extension application and the payment of any renewal fees, as provided for in regulations or directives remains valid and operates as continuing licence, exemption or authorisation, unless:

altered, suspended, or withdrawn by CMA:

suspended or withdrawn on request of the licensee;

the authorised person ceases to be a representative or employee of the licensee or at the request of the licensee. However, in case of an extension that has been granted, the licence or exemption is only valid for any period specified in the extension and subject to any conditions imposed by the CMA.

Article 15: Grounds for refusal, alteration, suspension or withdrawal of a licence, exemption or authorisation and lapses

1. CMA upon its own discretion or on the request of the licence holder, may refuse to alter, suspend or withdraw a licence, or to impose or alter a condition or withdraw a waiver if it is of the opinion that:
 - a) the licence holder is not a fit or proper person to undertake the activities for which it is licenced;
 - b) the owners, directors or members of the senior management are not fit or proper persons to undertake the activities for which the licence has been granted;
 - c) the licence holder is insolvent, or action is commenced to wind-up or liquidate the licence holder;

- d) the licence holder or any of its owners, directors or members of its senior management have breached any provision of this Law or any other law relevant to the conduct of the licenced activity or has furnished the CMA with false, inaccurate, or misleading information; or
 - e) the licence holder has failed to comply with any conditions, waivers or exemptions, or other requirements of a licence including, the payment of fees, maintaining financial requirements; to comply with a direction of the CMA; to provide the required reports and information as required by this Law or has engaged in capital market activity outside the scope of any licence.
2. An authorisation may be suspended or withdrawn when any requirements for suspension or withdrawal of the associated licensee's licence have been satisfied or where the authorised person:
- a) is no longer an appointed representative or employee of the licence holder;
 - b) is not a fit and proper person, or
 - c) has breached this Law or any conditions of its authorisation or has engaged in capital market activity outside the scope of any authorisation.
3. CMA must notify each concerned person in writing of the CMA's intention to:
- a) refuse, suspend or withdraw any licence, exemption, or authorisation, or to
 - b) alter a condition or an exemption or impose conditions.
4. The notification must specify the grounds on which the decision was made and the date from which the decision takes effect.
5. Except where CMA is of the opinion that it is necessary for the suspension, or imposition of a condition to take effect immediately in order to protect the interests of investors or for the efficient and transparent operation of the capital market:
- a) a licence or exemption will not be suspended or withdrawn;
 - b) any condition of waiver amended, modified or withdrawn, or
 - c) any authorisation withdrawn or suspended,
- without giving the holder of the licence or authorisation the opportunity of being heard.
6. A notification under this Article shall advise the concerned person its rights, if any, of appeal before the Capital Market Independent Review Panel against the decision taken.
7. The application of any appeal provisions in this Law are not intended to operate to prevent CMA from taking any other action available under this Law or any other related law to protect investors, or in the interests of the operation of the exchange or the capital market industry in Rwanda.
8. Where in CMA's opinion it is desirable in order to protect the public, CMA may also publish the issue of the notification.
9. The provisions of paragraphs 2, 3, 4, 5, 6 of this Article do not apply to:
- a) a licence or exemption that has lapsed or where the CMA has not granted an activation extension under Article 14, or
 - b) to the lapse of an authorisation where the person or entity has ceased to be an employee or representative.
10. Additional grounds for suspension or withdrawal of a licence or exemption or the amendment or modification of a waiver or condition on a licence or authorisation and processes for such actions may be provided for:
- 11.
- a) by regulations or directives applying to specific licences, exemptions or authorisations, or

b) under the regulatory sandbox framework.

Article 16: Requests for amendment of a licence, exemption or authorisation of representatives and employees

Any licence holder may request the amendment of a licence, including the conditions imposed, or an authorisation by lodging an application and on payment of the specified fee.

In considering the application the CMA shall apply the same considerations as if the application was for the grant of a licence for the particular capital market activity to which the licence or authorisation and the request relate.

Article 17: Withdrawal of an application for licence or authorisation

At any time before the CMA makes a decision, whether positive or negative, an applicant for a licence or an authorisation may by giving written notice to the CMA withdraw any application.

Article 18: Effect of lapse, suspension or withdrawal or cancellation on request

Any lapse, suspension, withdrawal, or cancellation on request of a licence, exemption or authorisation will not, subject to any rights that the other party may have under any other law, operate to:

void or affect any agreement, transaction or arrangement entered into by the licence holder or by any authorised representative or employee before the date of the lapse, suspension, withdrawal or cancellation, or

affect the right, obligation or liability of any person arising under the agreement, arrangement or transaction or right or any law to any compensation.

A licence that is required to be renewed and is not renewed in accordance with Article 14 is deemed to have lapsed but may be subject to a new licence application.

CMA may, where the licence or exemption has lapsed or has been restricted, suspended, withdrawn or cancelled, by a requirement notice in writing to the licence holder require:

the licence holder, within the period specified in the notice, to transfer to its clients any records and information and assets held for the client or other investor or party with whom it has a relationship, contract or agreement or is the trustee, custodian, depositary or registrar or manager or undertakes a similar role in the capital market industry;

the transfer to another licenced person all records relating to the licence holder for the subject business, or for the role that it has undertaken in the capital market industry, to another licence holder or other party nominated by CMA to permit the orderly closure of the business and the preservation of clients' rights and recognition of the rights of third parties:

the licence holder to take such other action as CMA considers necessary in order to protect the interests of investors and the efficient and transparent operation of the capital market, and

for the purposes of this Article, a licence holder includes a person or entity whose licence has lapsed or where an extension under Article 15 has not been granted and any person or entity previously granted an exemption.

In the event that a liquidator or official administrator or other person has been appointed in a similar capacity to an insolvent licence holder then CMA may issue a requirement as provided for in paragraph 3 of this Article to such person.

If the licence holder, or other person to whom a requirement notice has been issued under this Article, fails, within the time specified in the notice, to effect the required transfers or take the action specified, CMA may apply to the court for an order to enforce the requirement and for such other orders as the court considers appropriate to protect the interests of clients, investors or the capital market industry in Rwanda. In addition, CMA may, where the licence has lapsed or has been restricted, suspended, or withdrawn under this Law, by notice in writing to the licence holder, permit the licence holder, subject to such conditions as are specified in any notice, to:

in the case of a suspension, to carry on the essential business operations of the licence holder in order to protect the interests of clients during the period of suspension, and

in the case of a withdrawal, to carry on the business for a limited period of time the purpose of closing down the business associated with the licence withdrawn.

Article 19: Disclosure and recording obligations of publishers.

Any person, who is a proprietor, director, officer or employee of a newspaper or other publisher, that writes, produces, publishes, or broadcasts advice, or a report in relation to securities, or who approves the publication or issue of any such material must:

maintain a register of any interests in securities held by that person or to which it is beneficially entitled, and changes in such interests;

disclose details of the acquisition of, and change in, the interests to the proprietor, and

include in any advice, analysis or report in respect of securities a statement disclosing any interest that the writer or person approving the publication has in the securities.

The person, company or other entity that is the proprietor must maintain a register of its interests and of the disclosures of the interests made to it for a period of ten (10) years from the date on which the proprietor or person disclosing ceased to have an interest in securities or ceased to be a director, officer or employee of the proprietor.

CMA and any person authorised by CMA or otherwise entitled to conduct an investigation under this Law, or any other Law may inspect and take copies of any register.

CMA by regulation or directive may extend the operation of this Article so that it applies to any person or entity to which this Article applies that publishes, circulates or otherwise makes available to the public or any section of the public whether as part of a paid or unpaid service, opinions, advice, forecasts or reports in respect of securities whether in physical or electronic or digital form including, via streaming service and irrespective of the modality.

Article 20: Requirement for licence for exchanges and clearing houses

1. A person or entity who carries out an activity or business as a securities exchange, market or clearing house or hold themselves out as operating an exchange, or market, or clearing house must be licenced by CMA for its activities.
2. Using the words “stock exchange”, “securities exchange”, derivative exchange”, “exchange”, “futures exchange” or “market” in relation to securities or any other term specified in a regulation or directive is prohibited unless a licence has been granted by CMA.
3. The requirement to hold a licence to operate a clearing house apply in addition to any requirements under any law of Rwanda relating to the operations or the activities of a central securities depository except to the extent waived by CMA.

Article 21: Application for licence for exchange or clearing house

An application for a licence to operate an exchange or clearing house shall be made to CMA in accordance with the regulations and directives published by CMA and shall:

include the proposed rules under which the exchange or clearing house proposes to operate for approval by CMA; and

be in the form and manner provided for in regulations or directives published by CMA and be accompanied by the prescribed fee.

In addition to obtaining a licence as an exchange or clearing house a person or entity may also, depending on the activities that it undertakes or proposes to undertake, be required to hold additional authorisations or licences under other provisions of this Law.

CMA in granting a licence may issue the licence for a period and impose requirements and conditions relating to the renewal of the licence.

CMA may exercise its powers under this Law and any related Law against any person to ensure compliance with this Law.

Article 22: Requirements for assets or for financial standing including for licensing

CMA may, by publishing regulations or directives, require a licenced person or entity to comply with minimum capital adequacy, liquidity or other financial standing or solvency requirements and to demonstrate access to adequate systems and resources.

In doing so CMA may determine the nature of the assets to be held and the location of such assets and may impose minimum requirements.

A requirement may be imposed initially or at any subsequent time by CMA varying the conditions of a licence.

Article 23: Exchanges and clearing houses to make rules and submit to CMA for approval

CMA may publish regulations or directives relating to rules and the application for approval and the criteria to be adopted by CMA in assessing the suitability of the proposed rules including if the rules adequately provide for disclosure and accountability and mitigate risks.

An exchange or clearing house must specify the scope of its operations and develop and adopt rules for the carrying out of its functions, and in particular, for the regulation of:

its membership, including disciplinary, suspension and cancellation of membership provisions; and

its activities, disclosure obligations, products, systems and fees.

As part of any application for a licence, authorisation or exemption or any amendment or variation of a licence or exemption the applicant shall submit proposed rules for approval by CMA.

An exchange or clearing house may introduce new rules or amend its existing rules by seeking the prior approval of CMA to the new rules or amendment.

CMA may require an exchange or clearing house to review its rules by providing not more than sixty (60) days written notice and, following the review, may after consultation with the exchange or clearing house require the adoption of amendments to the rules or suspend the party's licence or exemption where CMA is of the opinion that the:

risks have not been adequately mitigated under the rules;

rules do not provide adequate, reporting, transparency, or accountability in respect of the activities of the exchange or any of its members, dealers or securities brokers or other parties executing trades or undertaking activities via the exchange or for listed entities or listed securities;

rules do not contain adequate disciplinary measures; rules are not in the best interests of investors in the capital market, or rules are otherwise inadequate.

Article 24: Grant of a licence for domestic and foreign exchanges and clearing houses and renewals

On receipt of an application by a corporate body or other entity or business structure approved by CMA, CMA may:

licence an exchange or clearing house;

impose restrictions or conditions on the grant of a licence;

grant perpetual licences or specify that the licence is only for a specified period and subject to renewal;

grant conditional or restricted licences and limited exemptions;

grant licence on a restricted or interim basis or for a limited period of time, or require renewal of the licence;

grant waivers or limited exemptions from compliance with this Law provided that any waiver or exemption shall not relate to or excuse the person or entity from complying with or operate to limit the powers of CMA in accordance to the provisions of this law.

CMA shall not approve an exchange or clearing house unless it is satisfied that the applicant meets the requirements set out in the regulations and directives published by CMA and any other licencing requirement under this Law, including:

any applicant, except for a foreign applicant, is a limited liability company whose members liability is limited by shares, or it is otherwise structured as provided for in the regulations or directives published by CMA;

the applicant's board of directors, or other governing body, and its senior management are constituted as required by the regulations and directives, are fit and proper persons and have the requisite skills and experience;

the applicant has adopted governing rules for its membership and operation which comply with this Law and any regulations or directives;

the exchange or clearing house has in place, or will at the time it becomes operational have, adequate staff, systems and resources in order to allow it to fulfill its functions, and

in the case of a foreign exchange or clearing house that the applicant is a body corporate or other approved entity or operating structure, formed outside Rwanda and whose head office is outside Rwanda and the body is licenced and regulated by a foreign agency with equivalent powers.

Following the grant of a licence an exchange or clearing house shall not change its directors or shareholders, or other key personnel specified in a condition to the granting of a licence without prior written approval of CMA.

Licences that are for a limited period or otherwise subject to renewal may be subject to the payment of an annual renewal fee and the provision of such information as may be required in regulations or directives issued by CMA.

Article 25: CMA intervention in the operations of a clearing house

In addition to any other powers provided in this Law or under any other law, the CMA has the power to, and may, intervene in the operations of a clearing house where it is of the opinion that intervention is necessary or desirable in order to protect or preserve the interests of investors, any users of the clearing house facilities and processes, any other interested party or the capital market or capital market industry or the financial system in Rwanda.

The powers of CMA under this Law are in addition to any powers provided for in any law regulating the operation of activities of a central securities depository in Rwanda.

CMA may by direction in writing to the clearing house specify the action required and the time from which the direction is to take effect.

The clearing house must implement any such a direction from CMA in accordance with, and from the time specified in, the direction.

CMA by notice in writing may extend, modify, or withdraw any direction with effect from the date specified in the direction.

Article 26: Notifications of refusal to issue or renew, suspension or withdrawal of a licence, waiver, or exemption

In addition to any other powers, including for intervention, to bring actions or exercise disciplinary measures provided for in this Law, or under any other law, CMA has power to refuse to issue or renew, and at any time, to suspend or withdraw a licence, or exemption, or to impose or alter a condition or withdraw a waiver if CMA is of the opinion that:

the exchange or clearing house has failed to monitor and enforce its rules;

the exchange or clearing house no longer has in place, or access to, adequate staff, systems, and resources in order to allow it to fulfill its functions;

where the licence holder has custody or control over assets or acts in connection with clearing of the assets of members, customers or clients or other third parties has failed to implement and maintain a system that separately records, accounts for and segregates the ownership of such assets, or

has otherwise failed to comply with any licence condition, a provision of this Law or any law in Rwanda regulating the operation or the activities of a central securities depository.

Where CMA proposes to issue a notification under this Article then it must comply with the requirements of Article 15 paragraphs 3, 4, 6 and 8.

The application of the requirements of Article 23 is subject to the exception in Article 23, paragraph 5.

Article 27: Request not to renew, for suspension, withdrawal, cancellation or alteration of a licence or exemption

Any person or entity which holds a licence may request that its licence is not renewed, suspended, withdrawn, or altered.

Any applicant who has not had a licence granted may withdraw its application by giving notice to CMA.

The provisions of Articles 16 and 17 shall apply to requests for withdrawal of an application, suspension, withdrawal or cancellation of a licence or exemption for exchanges and clearing houses or the imposition or alteration of conditions.

Article 28: Effect of failure to renew, lapse, suspension, withdrawal or return of a licence or exemption

The provisions of Article 18 except for paragraph 2 of Article 18 apply to licences and licence holders under this Chapter and to any holder of an exemption.

CMA may issue regulations or directives setting out requirements for renewal, if any, and the consequences of the failure to renew a licence or where renewal is refused.

Article 29: Regulations or directives on inclusion or exceptions of activities and modalities and exclusions

CMA by publishing a regulation or directive may specify whether an activity or business undertaken by any person or entity constitutes, or does not constitute, an exchange or clearing house activity.

A regulation or directive may relate to a particular activity or person or entity or product, innovation, or modality or fintech and be for a limited time or purpose and subject to conditions.

Article 30: CMA may determine qualifications for directors, senior management and employees

CMA may publish regulations or directives setting out the knowledge, skills, experience or qualification requirements for directors, senior management and employees of an exchange or clearing house or in relation to an OTC market operation.

Article 31: Clearing house default process and insolvency rules to take precedence

Any provisions relating to default, insolvency and netting in relation to a central securities depository under the relevant Rwandan laws shall apply to a clearing house to which that law applies and to any contract to which netting provisions apply under that law and to any futures or derivatives exchange licenced or exempted under this Law, or other Law of which CMA is the regulator, in relation to securities cleared through the clearing house or traded on the exchange.

CHAPTER IV: REGISTRATION OF CREDIT RATING AGENCIES

Article 32: Registration of Credit Rating Agency and renewal

A company or other person may, in accordance with the regulations or directives published by CMA and upon the payment of any prescribed fees, apply to CMA to be registered to operate as a Credit Rating Agency.

A Credit Rating Agency which has been registered CMA shall be considered with regard to its credit rating agency activities, except as provided in any regulation or directive or the licence, as being exempted from other provisions this Law but only with regard to its conduct of credit agency activities.

CMA may impose requirements for applying for registration and conditions on any registration granted, including relating to resources, staffing, systems and experience.

CMA in granting a licence may issue the licence for a period and impose requirements and conditions relating to the renewal of the registration .

No company or person that is not registered or approved under Article 46 as a credit rating agency shall offer its services or issue a rating in respect of securities to which this Law applies unless exempted by CMA.

Article 33: Approval of Foreign Credit Rating Agency

A company whose head office is located in a country outside Rwanda may, in accordance with the regulations or directives published by CMA, the payment of any prescribed fees, and compliance with any other laws of Rwanda, apply to CMA to be approved to operate as a foreign Credit Rating Agency.

A foreign Credit Rating Agency which has been granted an approval by CMA shall be considered as regards its credit rating agency activities, except as provided in any regulation or directive or the licence, as being exempted from other provisions this Law but only with regard to its conduct of credit agency activities.

CMA may impose requirements for applying for a licence and conditions on any licence granted, including relating to resources, staffing, systems and experience.

Article 34: Requests, approvals, suspension and withdrawal of credit rating registration or approval

CMA may publish regulations or directives determining the procedure for a request, renewal if any, refusal, suspension or withdrawal of registration or approval and the fees applicable.

Article 35: Register or interests to be maintained by registered, , approved or exempted credit rating agencies

Each director, member of the senior management of a credit rating agency and such other persons as CMA may require shall:

maintain an up to date register of any interest in securities that the person, or any member or the person's immediate family or any related company holds or has an interest in, and

include in any rating report issued by the agency in respect of this securities a disclosure of the fact of such an interest.

CHAPTER V: SUPERVISORY POWERS OF CMA IN RELATION TO CAPITAL MARKET ACTIVITY AND PARTICIPANTS

Article 36: Powers of CMA to intervene in the operations of an exchange

In addition to any other powers provided in this Law or under any other law, CMA has the power to, and may, intervene in the operations of any exchange whether or not it is licenced if CMA is of the opinion that:

there is a major market disturbance that prevents the market from accurately reflecting the normal market forces of supply and demand for securities;

there has been or is threatened by market manipulation or abuse; or

it is in the best interests of investors or the public, the operation of the capital market in Rwanda, or to support economic stability.

CMA may as part of an intervention provide written direction to the exchange to take such action as CMA considers necessary, including to:

maintain or restore fair, transparent and efficient trading in securities, any class of securities or any securities;

liquidate any position in any securities;

suspend or halt trading in any, or all, securities, by any member, or on the exchange or of any listed company or listed securities for a period of up to thirty (30) days, which period may be renewed, if CMA is of the opinion that the condition supporting its decision is continuing or has not been rectified or is otherwise necessary;

Article 37: CMA power to regulate the over the counter market

CMA may publish regulations or directives for the purpose of regulation of the over the counter market and participants and users of such markets including, any requirement for licensing.

A regulation or directive may relate to a particular activity or person or entity or product or modality for trading, exchange, settlement, clearing, or activities of a similar nature and may be for a limited time or purpose and subject to conditions.

CMA may exercise any powers that it has under this law in relation to capital market activity and participants, the capital market industry exchanges and clearing houses to participants in and operation of the OTC market.

require the exchange to enforce the operating of its rules or require the modification of any rules on a temporary or permanent basis;

suspend or require alteration of any margin trading rules or trading limits;

prohibit or limit trading by any member or members;
modify or suspend any of the trading rules of the exchange for a period of up to thirty (30) days, which period may be renewed if CMA is of the opinion that the condition supporting its decision is continuing or has not been rectified or is otherwise necessary;

suspend any member of the exchange or any director or any member of the senior management of the exchange pending the conduct of an investigation, or

take any other action to suspend, modify or withdraw the licence of the exchange or any exemption.

The exchange must implement any such a direction from CMA in accordance with, and from the time specified in, the direction.

CMA by notice in writing may extend, modify, or withdraw any direction with effect from the date specified in the direction.

Article 38: Power of CMA to issue stop order, directions to issuers or in respect of securities

CMA may, if it appears to it that in relation to securities to which this Law applies that:

a listed company or issuer is in breach of its listing agreement or the rules of the listing exchange or such have been breached in relation to any listed securities or other securities;

a listed company or issuer, manager or trustee is contravening, has contravened or is about to contravene any provision of this Law;

a listed company, issuer or other obligated party, or in respect to any listed securities, there has been provided false, inaccurate or misleading information;

CMA may, in addition to taking any other action available to it under this Law or any other law, issue a stop order or directions to the company, issuer, manager or other responsible or relevant party or exchange or market on which the securities are listed or offered:

to cease and desist from the action or breach; to do or not do any matter specified in the direction, and to take any remedial action including the provision of information as CMA believes is necessary in order to protect investors and to ensure a transparent and informed market and the efficient operation of the capital market in Rwanda.

A person or entity to which a stop order or direction is issued must comply with the stop order or direction.

Article 39: Power to require a second audit

If it appears to CMA that there are reasonable grounds to do so, it may itself appoint or direct any person subject to this Law or to any related Law, to appoint a second auditor for purpose of reviewing the report of the first auditor.

Any requirement by CMA for a second audit must be reported under the continuous disclosure provisions of this Law.

Any review conducted and report made under this Article shall be at the expense of the concerned person and shall be carried out within the time specified in the instruction or within such time as CMA may determine.

The person carrying out the second audit under this Article shall have all the powers available to the first auditor; and the first auditor must provide such access and assistance as the second auditor may require.

The report respecting the accounts or other matter which is submitted to CMA in accordance with this Article may be sent or made available to interested persons for inspection in whole or part thereof and must be disclosed by CMA under the continuous disclosure provisions of this Law within three (3) business days of receipt by CMA.

Article 40: CMA powers to publish regulations or directives for different types of securities, or structure or modes of investment in securities

CMA may from time to time publish regulations or directives to adapt any provision of this Law, or to provide specific requirements relating to the offer, issue, or listing or trading in, or of, any form of securities or modes or structures of investment that:

are not specifically addressed in this Law;

are not adequately addressed;

where the securities are issued by, or relate to an interest in, a trust, partnership or other business or investment format including a virtual, electronic, digital or other format;

where there is undue complexity, lack of clarity or overlapping of provisions, or

where CMA is of the opinion that it is desirable in order to protect the rights or interests of investors, the development and operation of the capital market industry in Rwanda or support implementation and fulfillment of CMA's mission, responsibility and powers as provided in the CMA law.

Article 41: Recognition of Self-Regulatory Organisation

A person or entity that wishes to be recognised as a self-regulatory organisation under this Law must apply to CMA in the manner provided for in the regulation or directive published by CMA.

An application shall state the functions and powers of the SRO that proposes to seek recognition and include its internal rules.

Where the SRO relates to a profession or activity that is subject to regulation by another body the application shall include the non-objection of that body to seek recognition under this Law.

The regulations or directives published by CMA may include:

the requirements for recognition including, the factors that CMA may take into account in granting a recognition as well as the requirements to maintain recognition including the payments of any application, renewal or other ongoing fees;

requirements as to the rules, including disciplinary and sanction provisions, appeal provisions, and for the prior approval of rules by CMA;

the grounds for and processes to discipline, suspend or cancel of the recognition of an SRO or discipline of any member of the governing body of the SRO or its senior management for breach of this Law or of the conditions of recognition of the SRO;

restrictions on the structure of the SRO, ownership and ability to pay directors fees or other remuneration, dividends or to otherwise distribute profits or distribute capital, and

any other matters necessary or desirable for the implementation or operation of this Chapter, the efficient regulation of capital market activity, the capital market industry or for the protection of investors or under any other power provided by this Law.

Where a person or entity undertakes capital market activity or is engaged in the capital market industry in a role, that requires licencing then recognition as an SRO under this Chapter does not relieve the person or entity from the requirement to be licenced or any obligation under this Law except to the extent that may be specifically provided.

Article 42: Authorisation to undertake functions or delegation to a self-regulatory organisation

CMA may, subject to the limitations imposed by the law of Rwanda, by instrument in writing delegate to a recognised SRO any of its powers or functions other than: as they relate to:

licencing, exemption, approval or authorisation suspensions or renewal, and

exercises powers of inspection, investigation and enforcement.

A delegation shall specify the:

function or power delegated;

the period for which the delegation applies;

terms and conditions under which the power or function has been delegated;

persons authorised on behalf of the SRO to exercise the power or functions delegated;

annual, other reporting and audit requirements for the SRO on the exercise of the delegated powers and functions, its membership and operations and the application and enforcement of its rules and requirements to report to the public.

CMA shall not delegate any of its powers or functions unless it is satisfied that the delegation:

would not adversely impact on the rights and protections provided by this Law and other laws,

would not detract from the responsibilities and mission of CMA, and

it is satisfied that there are adequate reporting and other monitoring and supervisory mechanisms in place to ensure compliance by the self-regulatory SRO and its members with the rules of the SRO and the requirements of the law.

A delegation may be cancelled at any time by CMA at its absolute discretion by CMA giving notice in writing to the SRO. A cancellation shall not be subject to any right of appeal.

A delegation of powers shall not limit CMA's powers, including to intervene, inspect or enforce, discipline or sanction, or to exercise any other powers that it has under this Law or any other law.

Article 43: Representing or holding out as a recognised self-regulatory organisation

A person or entity shall hold itself out, claim or purport to be recognised by CMA as a self-regulatory organisation only if CMA has granted, and has not suspended or cancelled its recognition.

Article 44: Protection from civil liability

A civil liability, except as may be provided under this Law, shall not be incurred by:

the SRO, or

any person acting on its behalf, including:

any member of the board or governing body of a self-regulatory SRO;

any member of a committee of the SRO, or

key personnel or any employee, agent or professional advisor

for anything done or omitted to be done in good faith in the discharge of the duties delegated to the SRO under this Chapter or in the performance of its functions or exercise of powers under its approved rules or at the direction of the CMA.

Protection from civil liability does not extend to cover non-compliance with this Law or a related Law.

CHAPTER VII: ISSUES AND OFFERS OF SECURITIES

Article 45: Requirements for issues or offers of securities and application to shares and debentures of companies

Except as provided in Article 8 no offer for subscription or issue of securities may be made to the public, or to any section of the public, by any person or entity except in compliance with this Law.

For the purposes of this Law a person or entity is considered to offer securities if that person or entity:

invites another person to enter into an arrangement for, or with the view to, subscribing for or otherwise acquiring on issue or the underwriting any subscription for or issue of securities;

makes an offer which, if accepted, would give rise to a contract for the subscription, or issue of the securities by the person or entity, or by another person or entity with whom arrangements have been made for the subscription or issue of the securities, or

invites another person or entity to make an offer to subscribe to or otherwise acquire or underwrite any securities, and

Where the securities to be issued, or offered for subscription, or otherwise are shares or debentures to which the Law Governing Companies applies then these provisions apply in addition to the provisions of that Law.

CMA may issue regulations or directives that specifically apply to issues of securities by the Government of Rwanda, of any person, entity or fund connected with the Government of Rwanda, or by a government or public institution or by the Central Bank acting on behalf of the Government of Rwanda or such government or public institution, person, entity or fund.

Article 46: Offers and issues to the public or section of the public and public offers

A person or entity makes an offer of securities to the public in Rwanda if the offer is made to any section of the public, but does not include, unless a regulation or directive otherwise provides, an offer or issue that is:

is made under a bona fide underwriting or sub-underwriting agreement where the underwriter or sub-underwriter cannot resell or transfer any of the securities until a prospectus has been submitted and

approved by CMA; an information memorandum has been filed, or the issue is otherwise outside or exempted from the prospectus requirements of this Law;

is a class of existing securities made to directors or senior management as part of a bona fide remuneration scheme or as part of an approved employee share option scheme where the transfer or resale of the securities is restricted except in the case of death for a period for in the regulation.

is made to not more than 5 persons who are not related to each other and are not insurance companies or pension funds and cannot be transferred or resold except to another member of the family or in the case of death or insolvency of the holder, or

is an offer or a class of offer that is specifically exempted by CMA from the application in whole or in part from the requirements of this law which are subject to private placement or other special regulations or directives or the regulatory sandbox framework.

Article 47: Requirement for a prospectus

Where the securities are shares or debentures of company to which the Law Governing Companies applies then, notwithstanding the provisions of that law, the definition of an offer to the public in this Law applies and all offers or issues of shares and debentures must comply with the offer to the public and prospectus requirements of this Law.

Except as permitted under this Law no issuer or offeror may make a public offer of securities unless the issuer or offeror has submitted a prospectus in respect of that offer to CMA and obtained the prior approval of CMA.

The requirement for a prospectus does not apply to the trading in any securities that are already listed on an exchange licenced in Rwanda but apply to any additional issues or new issues by the same issuer including options or rights issues and issues of new types of securities.

The prospectus shall be in the form, contain the information specified and meet any other requirements set out in the regulations or directives published by CMA.

Without limiting the power or authority of CMA to publish regulations or directives, CMA may, where it is of the opinion that any such action will not adversely impact on the rights or interests of investors or the capital market in Rwanda, vary; waive, or issue different or specific regulations or grant exemptions for or in connection with:

a preliminary prospectus to assist an issuer in price setting in respect of a proposed offer of securities or to determine exact content of the final prospectus, provided that no securities may be issued or offers accepted pursuant to a preliminary prospectus;

different categories or types or classes of securities, the issuer including, an issuer that is a trustee on behalf of a trust, a company or a special purpose vehicle, or for protected cell companies or community benefit companies;

the issue of a prospectus and impose restrictions on the transferability or on sale or secondary sales of any securities conditional upon the submission and approval of a prospectus in a form determined by CMA;

based on the investors to whom the offer is to be made or who are qualified to invest in the securities, including to accredited or sophisticated investors or qualified institutional investors;

other forms of limited or restricted offers or issues as provided for in any regulation or directive;

private placements;

offers or issues by the Government of Rwanda or any person, entity or fund connected with the Government of Rwanda or government or public institution or where the Central Bank is acting on behalf of the Government of Rwanda or any such person, entity or fund, government or public institution;

public issue or offer or listing of securities by a foreign issuer;

whether the securities are to be listed on an exchange and open to investment in or being traded with the public, or the market is a restricted or over the counter market;

shelf registration for listed securities;

issues that are listed by way of introduction on an exchange in Rwanda,

the public issue or offer of securities by small issuers including, small businesses as defined in the regulation or directive;

the use of short form and supplementary prospectus;

issues to which regulatory sandbox framework provisions apply, or

any other matter incidental to the issue of a prospectus, the protection of the interest of investors or the capital market industry or are otherwise considered necessary or desirable by CMA.

Article 48: Use of information memorandum

Where CMA grants a waiver or exemption from the issue of a prospectus or imposes special conditions on the offer, the issue or the listing of the securities, CMA may instead of requiring the issue of a prospectus approved by CMA require the issuer of offeror to:

file with CMA prior to the offer or issue an information memorandum in respect of the securities, or

require a notice of the issue of securities to be filed with the CMA.

The CMA may publish regulations or directives in relation to:

the time prior to the proposed issue that the information memorandum must be filed with CMA;

the form or content and other particulars associated with an information memorandum or a notice of issue,

impose any conditions or requirements including as to the making available details of the issue or offer and the content of documents and subsequent trading in the securities.

Article 49: CMA requirement for additional information and issue of stop order for prospectus or information memorandum

CMA may:

require further information to be supplied in respect of any proposed issue or offer to which this Law applies; prior to any issue or offer of the securities, issue a stop order to prohibit the issue or offer proceeding if CMA believes that the prospectus or information memorandum does not include adequate disclosure, and at any time after the issue or offer of the securities issue a stop order preventing further issues or offers of the securities or any transfer of or trading in the securities if CMA believes that any conditions attaching to the right to use a prospectus or information memorandum in respect of the issue or offer of the securities has not been complied with.

Article 50: Contents of a prospectus or information memorandum and general duty of disclosure and changes to disclosure

CMA may publish regulations or directives governing the content of a prospectus or information memorandum. The regulations or directives may relate to a specific issue or category of securities or apply to a class of securities or the securities of a particular issuer or category of issuer.

In addition to the information required by any regulation or directive to be included in, a prospectus or information memorandum must include all such information as an investor in the type of securities would

reasonably require and reasonably expect to be disclosed and not omitted for the purpose of allowing the investor to make an informed assessment of the investment, including:

the nature and structure of the issuer and the securities;

the assets and liabilities and financial position, profit and losses, cash flows and prospects of the issuer, of the securities and the issuer's likely capacity to be able to service its debt and meet its obligations when due, and of the securities to meet payment obligations;

the risks likely to be associated with the investment; and

the rights attaching to the securities including where the issuer has or is issuing different types or classes of securities the relative rights and priorities of the holders.

In determining the information required to be disclosed special consideration may be given to the nature of the securities, the complexity of the structure or offer and the potential investors.

Where there is a material change in the information in an approved prospectus or filed information memorandum, or a material matter arises, or a change occurs that would result in material inaccuracies in the prospectus as approved or filed information memorandum and the time of offer or issue of securities or listing on an exchange the issuer or securities, any transaction advisor, and, if a trust, the trustee, must not proceed with the offer or issue or listing until a supplementary prospectus that includes the additional information or matter or corrects the inaccuracy has been approved by CMA or a supplementary information memorandum has been filed with CMA.

The issuer, where there is such a change must as soon as practical withdraw the offer and after obtaining CMA's approval circulate a supplementary prospectus or file a supplementary information memorandum, and may:

reopen and proceed with an offer or issue, or

if applications have already been received or securities issued but not listed, offer investors the option to re-confirm their applications for subscription or withdraw their applications provided that:

the offer or issue shall not proceed until the investor has received the supplementary prospectus or information memorandum and had a minimum of fourteen (14) days' notice of the changes to either re-confirm in writing their application or have or withdrawn their application and requested a refund of any monies paid;

any applications that are not reconfirmed in writing within the period specified in the supplemental prospectus or information memorandum will be deemed to have been withdrawn, and

any monies paid with an application for securities that is withdrawn or deemed to have been withdrawn must be refunded in full within fourteen (14) days of the expiry date.

The word "material" when used in this Article means material, or significant, for the purpose of any investor or person considering investment or making an informed decision on any relevant matter or consideration.

CMA may authorise the correction of a minor omission in a prospectus or information memorandum, the inclusion of which is required without the requirement for a supplementary prospectus or information memorandum, if CMA is of the opinion that the correction or disclosure of the information does not prejudice the interests of investors or would be prejudicial to the interests of the issuer if not included. When granting an authorisation, the CMA may impose conditions or requirements.

Article 51: Corrective actions in relation to a prospectus or information memorandum

Where, in the opinion of CMA, circumstances have occurred or new information has emerged that fundamentally alters the basis of approval of a public offer before the issue date, or the date of listing, which renders the prospectus inadequate, CMA issues a stop order and may require the issuer:

to issue a supplementary prospectus or information memorandum disclosing such additional information;

to extend the offer to allow investors to make an informed decision in light of the new disclosure;

to re-open the offer for such period as shall be determined by the Authority to allow investors either to re-confirm their applications for subscription or withdraw their applications; or

to cancel or not proceed with the offer, issue or listing

Article 52: Persons responsible for a prospectus or information memorandum

The persons who, for the purposes of this Law are responsible for a prospectus, supplementary prospectus or an information memorandum or supplementary information memorandum are:

the issuer of the securities;

where the issuer is a body corporate:

each person who is a director or member of the governing body of the body corporate at the time when the prospectus is published, and any person who has given their consent to be named and is named in the prospectus as a director or as a member of the governing body or has agreed to become a director immediately or at some future time;

where the issuer is an entity that is not a body corporate then, in the case of:

a trust, the trustee and any sponsor or promoter of the issue:

a partnership the partners or in the case of a limited partnership the general partner as that term is defined in Law Governing Partnerships;

any other form of organisation or structure the persons or organisation and where the issue is based on a contractual arrangement the members of the governing body of the entity or of the manager of the CIS or other investment structure, and

any other person or entity declared in any regulation of directive published by the CMA to be a responsible person for the purposes of this Law, and

any person, or entity, trust, partnership, or other party not falling within the foregoing paragraphs of this Article who has authorised the contents of, or of any part of, the prospectus or information memorandum, including via the provision of an expert statement, professional statement, the preparation of financial statements or financial models, or as an auditor.

Notwithstanding the provisions of the foregoing paragraph a responsible person shall not be responsible: unless the issuer has authorised the offer or issue;

in the case of a responsible person falling within subparagraph (d), above, that person is only responsible for statements, or the inclusion of, or reliance on, material which it has created, or caused to be created, and which it has authorised to be included; and

if named in a prospectus or information memorandum the responsible person has not authorised being named or the inclusion of the statement or material where that responsible person, upon becoming aware of the inclusion or attribution without the responsible person's knowledge of authority, has as soon as practical, given notice to CMA and to the public that the prospectus was published without the responsible person's knowledge or consent.

Where a person, other than an issuer, is responsible only for part of the prospectus, or information memorandum, then the responsible person is only responsible for the statements or material included in that part it prepared or provided and only, if included substantially in the form authorised.

The provisions of this Article apply to any supplemental prospectus or a supplemental information memorandum.

The provisions of this Article apply to any document or documents that constitute a prospectus or information memorandum that is issued irrespective of whether it has been approved by, or filed with, CMA.

Article 53: Additional offers or issues of securities

CMA may by regulation or directive determine the requirements for additional issues of securities of the same class by an issuer or for issues of additional classes or types of securities.

Article 54: Duty of care, obligation to undertake reasonable due diligence and enquiry and defences

An issuer and any person who is a responsible person under this Law has an obligation to exercise reasonable due care and responsibility to conduct reasonable due diligence and to make reasonable enquiry in relation to the correctness and completeness of any statement or other material included in a prospectus or information memorandum or attributed to that responsible person or is required by this Law to be included.

A responsible person shall have a defence to any claim under this Law or any other law if the responsible person demonstrates that it had undertaken reasonable due diligence and had until the time of issue, and if the securities are to be listed until the date of listing, reasonable reason to believe that the statement or material was correct and did not include an omission.

The provisions of this Article apply to any supplemental prospectus and supplemental information memorandum.

Article 55: Compensation for misleading prospectus, information memorandum or other offering document or communication and preservation of other rights

The rights established under this Article apply in addition to any other rights that a person or entity may have under the Law or any other law, civil and criminal liability and the powers of CMA or any other party has to apply sanctions, seek penalties or take other actions.

Any person or entity that has a responsibility for a prospectus or information memorandum, including a supplementary prospectus, or information memorandum, under this Chapter is jointly and severally liable to pay compensation to any person or entity that acquires any securities, in reliance on the prospectus or information memorandum for any loss that the person or entity suffers as a result of any untrue or misleading statement in the prospectus or any omission from it of a matter required by this Law to be included for which that person is a responsible person.

Liability to pay compensation under paragraph 2 of this Article also applies to any loss suffered by a person or entity that in reliance on the prospectus or information memorandum acquires the securities in the secondary market.

In determining if a person or entity is liable to pay compensation the defences provided in this Chapter shall apply.

Any person who has suffered a pecuniary loss may commence an action for compensation. It is not necessary for CMA to have commenced or to have taken any action for an investor to take action for compensation or an offence or breach of this Law proved in any court, and any action by CMA shall not preclude independent action for compensation being commenced by any investor.

CMA may commence an action for compensation on behalf of any investor or class of investors in the securities:

as part of any other sanction or penalty or other action, criminal or otherwise, available to it under this Law or any other law, or

separately and independently of any other action.

CHAPTER VIII: REPORTING AND CONTINUOUS DISCLOSURE OBLIGATIONS

Article 56: Reporting by public companies and issuers of securities to the public and others, and the calling of meetings

All public companies that issue securities to the public, in addition to complying with requirements of the Law Governing Companies, must as provided for in any regulations or directives published by CMA:

keep and maintain such books and records as may be specified;

maintain a system of internal accounting controls and, where required maintain segregation of accounting records and funds sufficient to provide reasonable assurance that transactions and valuations are recorded as necessary to permit the preparation in conformity with this Law and with the International Financial Reporting Standards as are adopted and applicable in Rwanda from time to time, or required to be applied by CMA in relation to a specific issue or issuer;

prepare and file with CMA annual and periodic reports that include audited financial statements and such other returns as required,

call meetings of members, shareholders or investors.

Any issuer that is not a public company, or where the securities are not shares or debentures of the issuer, or where the securities do not constitute personal obligations of the issuer, manager or other person or entity must, as provided for in any regulations or directives published by CMA:

maintain such books and records as may be specified;

maintain a system of internal accounting controls and where required maintain segregation of accounting records and funds sufficient to provide reasonable assurance that transactions and valuations are recorded as necessary to permit the preparation in conformity with this Law and with the International Financial Reporting Standards as are adopted and applicable in Rwanda from time to time or required to be applied by CMA in relation to a specific issue or issuer;

prepare and lodge with CMA such other reports, including financial statements, as may be required in the form and to the standard specified, and call meetings of members, shareholders or investors.

CMA may by regulation or directive require any issuer, trustee, or manager or other person or entity of an issue or issuer, or connected with an issue of securities, or a special purpose vehicle, a trustee, or trust, where CMA is of the opinion that it is in the interests of the capital market in Rwanda or investors, or any group of investors, require that a meeting of the issuer or of any investors in the issuer or the securities is called.

Article 57: Continuous disclosure obligations

An issuer whose securities have been listed on an approved exchange or market, and any person responsible as the manager or trustee of any listed securities, or, any other person or entity where provided for by a regulation or directive, must, in addition to complying with the requirements of any exchange or market on which it is listed and any requirements under the Law Governing Companies keep:

CMA:

members of any company or trustee connected with an offer or issue:

investors in any securities;

any listing exchange for the securities or for the issuer, and

the market and the general public,

informed as soon as reasonably practicable, but in any event not later than five o'clock (5) in the afternoon on the next working day, of any information relating to the issuer, its subsidiaries or the securities that:

is necessary to enable them to appraise the financial position, risks or state of corporate governance of the issuer or its subsidiaries, a trustee, any trust, special purpose vehicle, or other form of investment vehicle that has issued the securities or has a payment obligation in respect of the securities;

is necessary to avoid the establishment of a false market in the securities, or

might reasonably be expected to materially affect market activity in the price of the securities.

CMA may impose such other disclosure obligations as it considers necessary and may publish regulations or directives relating to the form of disclosure required.

The disclosure obligations imposed under this Article are in addition to any other obligations imposed by this Law, any other Law, an exchange, or self-regulating organisation.

Failure to make a continuous disclosure when required is a failure to lodge a report and the sanctions, penalties and offence provisions of this Law apply and as do the powers of CMA to issue of a stop or take any other action.

CHAPTER IX: AUDITOR REQUIREMENTS

Article 58: Appointment of auditors

CMA may publish regulations requiring persons or entities licenced, approved, authorised or exempted to undertake any capital market activity, to conduct business, own or operate an exchange or market, or engage in the capital market industry, to appoint an auditor that meets the conditions or qualifications specified under those regulations and to fulfil the functions and roles specified.

For the purpose of fulfilling its mission, roles, obligations and responsibilities under this Law, the CMA Law or any related Law, CMA may also publish regulations or directives relating to the appointment of auditors in respect of any issuer, or issue of securities, person or entity, manager, trustee, trust, partnership, managed investment, collective investment scheme, or other form of investment structure or activity or any person or entity involved in such investment structures or the issue, listing, dealing or trading in securities, or persons or entities irrespective of the roles undertaken.

Any requirement imposed under this Law is in addition to any requirement under any other law.

No person shall impede, falsify the provision of any information provided to auditors or restrict an auditor's access to any records, reports or systems or information, however kept, or access to any passwords, codes or software or similar any requirement necessary to access any records, reports, systems or information that are reasonably required to permit an auditor to undertake its functions and must provide such authorisations as may be required to access information held by, or under the control of, a third party.

Article 59: Qualification of auditors and recognition of rules of self-regulating organisation

CMA may publish regulations or directives setting out any requirement for qualification of auditors.

CMA must approve the rules of any self-regulatory organisation that accredits or approves persons to be qualified as auditors and may impose conditions on such rules.

The provisions of this Law relating to self-regulatory organisations apply.

Article 60: Reports and communication by an auditor to CMA

Any auditor appointed in respect of a person, entity or in relation to securities or a transaction to which this Law or a related Law applies, including unlicensed, unapproved, or exempted person or entities, must notify CMA in writing if the auditor becomes aware of circumstances that:

the auditor has reasonable grounds to suspect amount to a contravention of this Law or a related Law by any person or entity or in relation to any securities, and

the contravention is significant, or where the contravention is not significant, but the auditor believes that the contravention has not or will not be adequately dealt with as a consequence of the auditor commenting on or reporting the contravention in the auditor's report, or

amount to an attempt, in relation to the audit, by any person or entity to unduly influence, coerce, manipulate or mislead a person in the conduct of the audit, or

amount to an attempt by any person or entity to otherwise interfere with the proper conduct of the audit or the submission of any results or conclusions.

The auditor must notify CMA of the circumstances as soon as practicable and in any case within fourteen (14) days after the auditor becomes aware of the circumstances.

The provisions of this Article apply to each individual auditor involved in the audit and each professional member of the audit team.

In determining whether a contravention is a significant one the auditor must have regard to:

the level of penalty or sanction provided for the contravention;

to overall financial position of the person or entity, CIS, licensee, exempted or authorised person, entity, the securities or other arrangement or transaction the subject of the audit;

the adequacy of information available about the overall financial performance, risk and performance of the person or entity, CIS, licensee, exempted or authorised person, entity, the securities or other arrangement or transaction the subject of the audit; and

other factors relevant to the situation of the audit.

Contraventions to be communicated to the Authority must include matters relating to persons other than licensed or approved persons of which the auditor becomes aware during the conduct of the audit.

Where the auditor has been appointed in relation to debentures or asset backed securities, REIT, CIS or other arrangement in which there is an appointed trustee, the auditor must at the time it notifies CMA also notify the trustee and any manager of the structure, securities or CIS.

An auditor who, communicates any information to CMA, trustee, or manager, whether upon request of CMA or on the auditor's own initiative, may not be regarded as having committed a wrongful act where:

notification is given, or

the information is communicated to CMA, trustee or manager, if or required to be reported

under this Law or any related Law, accounting standards or the rules, codes or standards of any approved SRO of which the auditor is a member, provided that the auditor has acted in good faith and solely for the purpose of discharging its obligations.

If it appears to CMA that any auditor or body of auditors to whom this Article applies is not subject to satisfactory rules made or guidance issued by an approved SRO or other professional body specifying circumstances in which matters are to be communicated to the CMA as provided for in this Article, the CMA may publish regulations applying to that auditor or that professional body of auditors or the relevant SRO, in communicating a matter to the Authority in accordance with conditions specified by the regulations.

Article 61: Failure of auditor to report or communicate to CMA

If it appears to CMA that an auditor has failed to comply with the duty to report or to communicate with CMA it may, in addition to any other sanctions or actions in respect to an offence that may be available under this Law or a related Law:

disqualify the auditor from being the auditor qualified to be appointed under this Law or a related Law, advise any professional body or SRO accrediting the auditor,

publish details of the disqualification on CMA's website and include details in the register maintained by CMA

impose conditions on the auditor and on any partnership, business or company of which the auditor is a member or an employee or a contractor;

take other disciplinary or other action available under the law and issue a directive or intervene to require any SRO of which the auditor is a member to take appropriate disciplinary action, or

take any other action available to it under this Law or any other law.

Prior to disqualifying an auditor, CMA will provide the auditor an opportunity to be heard.

The Authority may remove any disqualification imposed if it deems necessary after such a person has corrected his or her behaviour. A removal of disqualification may be made subject to conditions.

A licenced, authorised, approved or exempted person or entity shall not hire or appoint an auditor disqualified under this Article and where one is currently appointed shall take action as soon as practicable to appoint a substitute qualified auditor.

Where an auditor is disqualified the person or entity responsible for the appointment of the auditor must within 28 days commence action to appoint a replacement auditor.

CHAPTER X: ISLAMIC SECURITIES and EXCHANGES

Article 62: Islamic securities

CMA may publish regulations and issue directives that set out the requirements for the offer or issue of Islamic securities, including for the initial, and ongoing, disclosure and reporting requirements, structural arrangements and the qualifications of persons or entities that undertake roles in respect of Islamic securities including those that qualify as CIS.

The regulations or directives may impose special conditions or requirements and may waive, modify, or exempt from any provision or requirement of this Law.

Unless CMA publishes specific regulations or issues directives for Islamic securities the provisions of this Law will apply to Islamic securities as they apply to any other securities.

In developing regulations and directives, CMA must give paramount consideration to the protection of investors.

Article 63: Islamic exchanges, securities, restricted listings and trading

CMA may publish regulations and issue directives that set out the requirements for exchanges and the trading of Islamic securities, including securities that qualify as CIS, and may make provision for restricted listings.

The regulations or directives may impose special conditions or requirements and may waive, modify, or exempt from any provision or requirement of this Law.

Unless CMA publishes specific regulations or issues directives for Islamic exchanges, listing and trading the provisions of this Law will apply as they apply to any other securities exchanges.

In developing regulations and directives, CMA must give paramount consideration to the protection of investors and the transparency of trading and stability and efficient operation of the capital market in Rwanda.

CHAPTER XI: TO CAPITAL MARKET AUTHORITY REGULATORY POWERS IN OTHER LAWS AND REGULATIONS

Article 64: General power in relation to related Laws

Where under any related Law CMA is appointed as a regulator or competent authority but that Law does not make provision for the issue or publishing of regulations or directives, then the provisions of CMA Law shall apply, and subject to any restrictions in the specific Law, CMA shall have the same powers to publish regulations or directives as are provided in the CMA Law and this Law.

Article 65: Application of this Law to Collective Investment Schemes

The provisions of this Law, except where expressly provided, do not apply to the licensing or operation of a CIS regulated under the CIS Law.

CMA may exempt a CIS from the application of any provisions of this Law.

Persons or entities who provide services to a CIS that are regulated under the CIS law may be subject to additional licensing requirements and to other requirements under this Law if they are engaged in capital market activity that are not regulated under the CIS Law or where the CIS is to be listed.

Where a CIS is listed on an exchange CMA may publish specific regulations or directives in respect of the listing, trading and operation of listed CIS, including reporting and disclosure, may waive, modify or exempt from any provision of requirement of this Law.

Where the CIS is established using a company structure or other structure CMA may publish additional specific regulations or directives in respect of the operation or disclosure by the CIS.

Article 66: Trustees, Trustee Companies and Trustee Company Service Providers

CMA may publish regulations relating to the appointment of trustees engaged or proposing to be engaged in capital market activity or to undertake a trustee role in relation to securities issued in the capital market or listed on any exchange or for any CIS.

CMA may publish specific regulations or directives governing:

the licensing of trustees that undertake roles that involve securities issued in the capital market or listed on an exchange or involved in capital market activity or the capital market industry;

the establishment and operation of a trustee company or entity that undertakes the role of a trustee in any capital market activity or relation to securities issued in the capital market or listed on any exchange or involved in the capital market industry.

Regulations or directives issued by the CMA in relation to trustees and trustee companies under this Law are:

in addition to any requirements imposed under the regulation governing Trust Company Service Providers issued by the Central Bank (the TCSP Regulations), and

do not relieve any party from compliance with the TCSP Regulations.

CHAPTER XII: REGULATORY SANDBOX FRAMEWORK AND OTHER FLEXIBILITY MEASURES

Article 67: Establishment of a regulatory sandbox framework and regulation

CMA may by publishing regulations or directive establishing a regulatory framework to permit the use of a sandbox framework for the regulation of an issue, issuer, program, type of securities or modality of issuing, listing or trading of or in securities, the conduct of capital market activity, or of an exchange or market including a derivative exchange or market.

To assist in the implementation of its mission and responsibilities CMA is empowered to publish regulations and directives to establish a regulatory sandbox framework and to provide for the modification or exemption of the provisions of this Law for the purposes of:

allowing for the development and testing of innovative new securities and capital market investment products and structures for investment, including CIS;

assisting and permitting the creation and testing of new capital market activity by way of the provision of services and solutions with the potential to broaden the capital market industry and capital market activity;

permitting the introduction and testing of new methods of listing and trading of securities and effecting transfers, administration and custody and other modalities related to the offer, issue and trading in securities, and

supporting the introduction and testing of new technologies and to accelerate the introduction and adoption of new technologies or provide evidence.

CMA's power to publish regulations or directives to establish a regulatory framework to permit the use of the sandbox framework extends to apply to the activities and operation of clearing houses, and exchanges and related activities and to Islamic securities and exchanges and related activities.

Article 68: Requirements for establishment of a regulatory sandbox framework

Regulatory sandbox framework is not intended to be available for use in lieu of the existing regulation of securities, CIS, capital market activity, or businesses that are within the existing scope of the capital market industry and that are already clearly and specifically addressed in this Law or a related Law unless the CMA, in its absolute discretion, is satisfied that, based on credible evidence:

the provisions of this Law did not envisage the proposed product, services, capital market activity, modality in the Law or the use of the technology;

compliance with the provisions of this Law is not economically or legally feasible and would unreasonably impede the development, adoption or introduction, of the securities, product, technology, modality or improvement in operations, capital market activity, or systems, and

it is possible for the development, testing and introduction to be implemented in a manner that does not expose investors, the capital market in Rwanda or the capital market industry to undue risks, lack of transparency or accountability and would not occasion systemic or reputational risk to Rwanda.

CMA, based on an application from a licenced person or entity in the required form, may issue a determination of the application of the regulatory sandbox framework provisions.

CMA is the final decision maker as to whether the requirements for the development or application for a regulatory sandbox framework determination have been met or should be applied and whether a determination should be issued, the scope of the determination and the conditions applying.

Article 69: Aspects to be addressed in a regulatory sandbox framework

CMA in developing and publishing regulations or directives for a regulatory sandbox framework, and when issuing, each determination issued, must:

specify the testing period or other period for which the regulatory sandbox framework determination is to operate;

specify specific provisions of this Law or any related Law that are to be modified, waived or from which an exemption is to be provided and the terms and conditions applicable;

include and specify the safeguards incorporated to identify, manage and mitigate risks and consequence of failure;

specify the reporting and audit requirements, if any;

consider the powers of CMA to revoke or suspend a determination or any approval within the period of the operation of the regulatory sandbox framework determination or to take enforcement action, and

put into consideration other matters as are provided for in any regulation or directive or considered necessary or desirable by CMA.

Article 70: Suspension or revocation of a determination

CMA may suspend or revoke a determination on any of the grounds set out in this Law or any related Law or in the regulations or directive published to establish the regulatory sandbox framework.

Prior to suspending or revoking any determination CMA must:

provide the person or entity to who the determination has been issued with fourteen (14) days written notice of its intention to suspend or revoke the determination, and specify the grounds for its decision and the date upon which the suspension or revocation takes effect, and

within that period provide the person or entity with the opportunity to be heard.

Unless CMA withdraws the suspension or revocation within the fourteen (14) day period specified in paragraph 2, then the suspension takes effect on the date nominated in the notice.

CMA's powers and any decision to suspend or revoke a determination are not subject to appeal.

Except to the extent specifically modified, waived or exempted in the determination the powers of CMA to intervene, and to apply any sanctions or penalties continue to apply to any breaches or failure to comply with this Law or a related Law as do all offence provisions.

CHAPTER XIII: TAKEOVERS, MERGERS AND AMALGAMATIONS

Article 71: Authorisation of takeovers

A person or entity may not acquire substantial control of, or a substantial interest or otherwise effect a change in the substantial control of a person or entity or any securities to which this Law applies unless it has first obtained an authorisation from CMA and documents issued in connection with the takeover have been approved by CMA.

The provisions of this Law apply notwithstanding the rules of any exchange or other self-regulatory organisation and CMA may require any self-regulatory organisation to adopt or amend its rules to reflect any requirements of this Law.

For the purposes of paragraph 1 of this Article this Law applies to any securities issued to the public or any section of the public or in respect of any person, entity or issuer some of the securities of which have been

offered to the public or any section of the public but does not apply to a CIS that is not listed on any exchange or market that is regulated by CMA.

Article 72: Acquisition or change of substantial control or substantial interest

CMA shall publish regulations or directives that:

determine what constitutes the acquisition of or the change in substantial control or a substantial interest;

apply the provisions to persons or entities that are associated or are acting in concert;

specify the requirements for an application for authorisation;

specify the requirements as regards disclosure and approval of documentation, including audit and valuations, and

detail any considerations to be taken into account in considering any application for authorisation.

Article 73: Disclosure obligations and liability for takeover documentation

The regulations or directives published by CMA shall set out the disclosure obligations of both the offeror, acquirer, or merger party, and the offeree and the parties responsible for the disclosure.

In respect of material disclosed and required to be disclosed and due diligence the same obligations including, liability and compensation and defence provisions apply as if the documents issued were a prospectus or information memorandum.

Article 74: Exemptions from requirements to obtain authorisation

The requirement to obtain authorisation does not apply to an acquisition:

that results from an issue made under a prospectus or other offer document in relation to an initial public offer, or information memorandum, provided that the document disclosed that the acquisition would be made together with details of the voting powers of any parties who would have substantial control and the effect that such an acquisition would have on the person's voting power in the issuer or the issue;

that results from an issue under a bona fide underwriting agreement and was disclosed in the prospectus or other offer document together with the details of the underwriter and any sub-underwriter's identity and the effect that such an acquisition would have on the person's voting power in the issuer or the issue;

due to a disposition via a will or other transfer of the occasion of the death of the holder or otherwise due to the operation of law or court order, including due to the insolvency of a holder or the company or entity or change only of trustee, depositary or custodian, or

pursuant to an order of any court or an acquisition as a consequence of the operation of any other Law or Rwanda.

CMA may by regulation or directive exempt specific arrangements or classes of securities or securities listed on specified exchanges from the provisions of this Chapter and may amend or waive the application of any provision.

Article 75: Requirements for authorisation in compliance with other Laws

Where any company or entity is subject to regulation by any other regulator or competent authority then no authorisation will be provided by CMA unless the prior non-objection has been obtained by that other party.

The requirements for authorisation unless exempted, varied or waived by CMA apply to companies in addition to any requirements under the Law Governing Companies, or any other Law. Where there is any inconsistency or conflict between the terms of this Law and any other law then the CMA will consult with

any other regulator or competent authority in an effort to coordinate actions and to resolve any conflicts and if unable to resolve the conflicts CMA may apply to the Court for directions.

The requirements for authorisation apply in addition to the requirements to comply with any competition, or other, laws.

Any requirement to consult will not operate to restrict or limit or impede any power of CMA under this Law or any related Law, the precedence of this Law or the obligations of any person or entity under this Law or any related Law or to take action to protect the interests of investors or to inform the capital market.

Article 76: Preservation of powers of intervention, investigation, sanctions and penalties

Except to the extent specifically modified, waived or exempted the powers of CMA to intervene or apply any sanctions or penalties continue to apply, to any breaches or failure to comply with this Law or a related Law and the offence provisions continue to apply to any offence that occurred prior to, or as part of, any transaction to which this Part applies.

CMA may publish regulations which provide specific powers of intervention, for sanctions and penalties as are appropriate to address takeovers. [NB – this provision is subject to RLRC approval]

CHAPTER XIV: INSIDER TRADING, MARKET MANIPULATION AND OTHER MARKET ABUSES

Article 77: Information deemed to be public

Information is deemed to be public or made public if:

it has been published in accordance with any Laws, the rules of any exchange for the purposes of investors, their advisers and the capital market industry and is available to the public;

is contained in records that under any Law can be inspected by the public;

is derived from information that is public;

it can be acquired by a person exercising reasonable diligence or expertise, or

it can be acquired by observation, and includes information, that except in the case of paragraph a) is available for the payment of a fee.

Article 78: Insiders and inside information

A person or entity has information that is deemed to be insider information if:

the information was obtained from an insider and the person or entity knew, or reasonably should have known, that it was inside information;

the person or entity acquires the information as a consequence of being a director, an employee or share auditor or professional advisor to the issuer or of a related party;

the person or entity has access to, and acquires the information, as a consequence of employment, office, position or being an auditor or expert to the issuer or the issuer, or

the direct or indirect source of the inside information is a person referred to in sub-paragraphs a), b), or c).

Article 79: Prohibition on insider dealing or trading

A person or entity must not use, deal or trade in or to acquire, dispose of or divest of securities to which it applies, or agree to do so, if a person has inside information at the time it deals, trades or acquires the securities in the case of an issuer, issues the securities.

A person or entity who has inside information shall be deemed to have used the inside information if:

it encourages another person to deal or trade whether or not that other person or entity knows that the info is inside information, or

discloses the information to another person or entity and that person uses the information to trade, deal or or divest of the securities or derivatives.

CMA may commence an action to recover any profit made or loss avoided by the person or entity utilising information.

Any person or entity that has suffered a loss as a consequence of the insider trading may seek to recover th from the person or entity that has utilised the information.

A contract shall not only be void or unenforceable by reason only of the commission of an offence under this law.

Article 80: Defence of persons engaged in insider trading

A person or entity shall be deemed not to have engaged in insider trading, and will have a defence, where the or entity establishes that it:

entered into an underwriting or sub-underwriting agreement where none of the relevant securities were ac disposed, traded or dealt with prior to the information being made public;

was undertaking market sounding activities that comply with this law, and, in each case, prior to disclosing the information to the recipient the discloser:

made the recipient aware in writing that information being disclosed was inside information, and

had entered into with the recipient a confidentiality agreement that included a commitment not to use the info except for the limited purpose for which it was provided;

supplied the information to another person or entity in order to obtain professional or expert advice or to com regulatory disclosure requirements and, in each case, prior to disclosing the insider information to the recip discloser:

made the recipient aware in writing that information being disclosed was inside information, and

had entered into with the recipient a confidentiality agreement that included a commitment not to use the info except for the limited purpose for which it was provided;

only uses the information in conjunction with the provision of professional or expert services to the issuer, and deals, acquires or disposes of the relevant securities only after the information is made public; or

deals, trades, acquires, or disposes securities or derivatives as a consequence of a court order or in giving e a transfer to a beneficiary on the death of an investor.

Article 81: Market sounding

In this Law market sounding is considered as the disclosure or communication or disclosure of information to more potential investors in order to gauge the interest of potential investors in a possible transaction a conditions relating to it such as, its potential size or pricing:

by an issuer;

by an underwriter, including a secondary offeror of a securities and derivatives in such quantity or value t transaction is distinct from ordinary trading and involves a selling method based on the prior assessment of p interest from potential investors;

to assess the commission allowance required for a market participant; or

by a third party acting on behalf or on the account of a person or entity referred to in sub-paragraph a), or b)

Without prejudice to the restrictions in this Law on insider dealing, a person or entity intending to make a takeover bid for listed securities, including for a merger, or amalgamation, and parties entitled to the securities, may undertake a market sounding, provided that:

the information is necessary to enable the parties entitled to the securities to form an opinion on their willingness to offer their securities: and

the willingness of parties entitled to the securities to offer their securities is reasonably required for the decision to make the takeover bid or merger or amalgamation.

A disclosing party, including any underwriter, prior to conducting a market sounding, must specifically disclose whether the market sounding will involve the disclosure or communication of inside information.

Prior to disclosing or communicating any insider information, the party proposing to disclose or communicate must make a written record of:

the insider information; and

its conclusion and the reasons for disclosing or communicating.

The disclosing or communicating party must maintain a written record of each of the persons or entities to whom the party discloses or communicates, the information provided, the date and time of the disclosure.

The disclosing or communicating party must provide such written records to CMA upon request.

These obligations apply to each disclosure of information throughout the course of the market sounding. The disclosing party must continuously update the written records referred to in this Article.

Disclosure of inside information made in the course of a market sounding shall be deemed to be made in the exercise of a person's employment, profession or duties where the disclosing market participant complies with the requirements of this Article.

In addition to other requirements of this Article the disclosing and communicating party must, before making disclosure or communicating, in writing:

obtain the consent of the person or entity receiving the market sounding to receive inside information and agree to be bound by the requirements of and prohibitions of this Law;

inform the person or entity receiving the inside information as part of the market sounding that the party is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information or for any purpose other than the market sounding purpose for which it is disclosed or communicated;

inform the person or entity receiving the inside information as part of market sounding that the party is prohibited from using that information, or attempting to use that information, by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates;

inform the person or entity receiving the market sounding that by agreeing to receive the information the person is obliged to keep the information confidential;

obtain from the receiving person or entity in writing:

an acknowledgement that it has consented and has been informed as required in sub-paragraphs b), c) and

an undertaking to comply with the provisions of this Article and this Law;

a list of the persons or entities that the receiving party intends to disclose to or communicate with, in directors, employees, professional advisors and experts;

an undertaking to continuously update the list, and

to advise the disclosing or communicating person or entity and CMA of any failure to comply which might constitute a breach.

Where information that has been disclosed in the course of a market sounding ceases to be inside information according to the assessment of the disclosing market participant, the disclosing market participant shall inform the recipient accordingly, as soon as possible. The disclosing person or entity or market participant must, also maintain a record of the information given in accordance with this paragraph and provide it to CMA upon request.

Notwithstanding the provisions of this Article, the person or entity receiving the market sounding insider information shall assess for itself whether it is in possession of inside information and when it ceases to be in possession of inside information, as the case may be.

The disclosing or communicating person or entity must keep the records referred to in this Article for a period of at least ten (10) years.

CMA may publish regulations, directives and issue guidelines to determine appropriate arrangements, procedures and record keeping requirements for persons to comply with the requirements laid down in this Law.

Article 82: Prohibition of market abuse and manipulative behaviour

A person or entity must not directly or indirectly and either alone or in concert with others engage in market abuse or manipulative behaviour in respect of securities to which this law applies.

Article 83: Market abuse

In this Law, market abuse is considered as a behaviour by one person acting alone or by many persons acting together or in concert which occurs in relation to securities, capital market activity, or an exchange or market regulated by this Law, or the capital market that contravenes any CMA approved market rules or practices as established by the exchange or SRO that gives a false impression or view of the operation of the market or of any securities to which this Article applies.

Market abuse is characterized by any of the following:

the use of insider information which is not generally available to those using the market but which, if available, would be relevant when deciding the terms on which transactions should be effected or is otherwise sensitive or used in breach of the insider provisions of this Law;

giving users of the market a false or misleading impression or signals as to the supply of, demand for, or price of securities to which this Article applies;

other behaviours or activity that CMA by regulation or directive determine to constitute market abuse or manipulative behaviour.

The prohibitions and the provisions of this Article extend to activities conducted prior to the listing of any security on an exchange or market where the securities are subsequently listed.

CMA may also publish regulations or directives required to prevent capital market abuses or specifying any activity to be a market abuse or manipulative behaviour.

Article 84: Market manipulation

Market manipulation includes:

entering into a transaction, placing an order to trade or any other behaviour which:

gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, any securities exchange or market regulated by CMA,

secures, or is likely to secure, the price of one or several securities on an exchange or market regulated by CMA at an abnormal or artificial level,

unless the person entering into the transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour has been carried out for legitimate reasons, and conforms to the rules of the exchange or market, this Law, other related Laws or accepted market practice as defined under the Laws or the approved rules of the exchange or market.

entering into a transaction, placing an order to trade or any other activity or behaviour while employing a financial device or any other form of deception or contrivance;

disseminating information through the media, including the internet and any form of digital or electronic communication, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of one or several securities listed on an exchange or market regulated by CMA, or secures, or is likely to alter or secure, the price of one or several securities or derivatives on such an exchange or market at an abnormal or artificial level, including by the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading; and

transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

Market manipulation may also be characterised by any of the following:

the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply and demand for any securities listed on an exchange or market regulated by CMA which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;

the buying or selling of any securities listed on an exchange or market regulated by CMA or financial instrument to influence the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;

the placing of orders on a trading system of an exchange or market regulated by CMA:

including any cancellation or modification thereof, by any available means of trading, including by electronic means such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in paragraphs a) and b) above, by disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so; or

making it more difficult for other persons to identify genuine orders on the trading system or the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilisation of the trading system or

creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of securities listed on an exchange or market regulated by CMA, in particular by entering orders to initiate or exacerbate a trend;

the taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument while having previously taken positions on that financial instrument and profiting subsequently from the impact of the opinions voiced on the price of that instrument without having simultaneously disclosed any conflict of interest to the public in a proper and effective way, including any relationship, payment or holding of or interest in the securities;

for the purposes of applying sub-paragraphs a) and b) paragraph 1 of this Article, and without prejudice to the other types of behaviour described herein, CMA may by publish regulations or directives setting out non-exhaustive indicators of

relating to the employment of a fictitious device or any other form of deception or contrivance, and non-exchange indicators related to false or misleading signals and to price securing or constitutes market manipulation.

The prohibitions and the provisions of this Article extend to activities conducted prior to the listing of any security on an exchange or market where the securities are subsequently listed.

The Authority may publish regulations or directives to specify or exempt practices or actions or to clarify the effect of the indicators specified above and take into account technical developments in capital market, modalities of products.

Article 85: Accepted market practices

In applying Article 84, the prohibition of market manipulation does not apply to activities that are classified as accepted market practice as provided for in this Article.

Accepted market practices include any practices that comply with any rule of an exchange, or a market regulated by CMA that have been approved by CMA.

CMA may by publish regulations or directives to establish what constitutes accepted market practices. In determining what constitute acceptable market practices CMA may take into account whether the:

market practice provides for a substantial level of transparency to the market;

market practice ensures a high degree of safeguards to the operation of market forces and the proper interaction of the forces of supply and demand;

market practice has a positive impact on market liquidity and efficiency;

market practice takes into account the trading mechanism of the relevant market and enables market participants to react properly and in a timely manner to the new market situation created by that practice;

market practice creates risks for the integrity or operation of, directly or indirectly, markets, whether regulated or not, in the relevant securities, derivatives or financial instruments in or from within Rwanda;

outcome of any investigation of the relevant market practice by CMA or by another competent authority is not negatively impacted;

relevant market practice may infringe rules or regulations designed to prevent market abuse, or codes of conduct, irrespective of whether it concerns the relevant market or directly or indirectly related markets within Rwanda;

structural characteristics of the relevant market, include, inter alia, whether it is regulated or not, the types of securities including derivatives and financial instruments traded and the type of market participants and investors and whether or not sandbox provisions apply.

A market practice that has been established by CMA as an accepted market practice for a particular transaction, market or for a particular or category of securities, derivatives or financial instrument shall not be considered applicable to other transactions, markets, securities, derivatives or financial instruments unless the CMA specifically accepted that practice as acceptable.

CMA shall review regularly, and at least every two years, any accepted market practices that it has approved, in particular by taking into account any significant changes to the relevant market environment, modalities of products, structures of products and such as other changes to trading rules or to market infrastructures, with a view to determine whether to maintain it, to terminate it, or to modify the conditions for its acceptance.

CHAPTER XV: GENERAL DISCIPLINARY PROVISIONS AND POWERS OF CMA

Article 86: Public statement of misconduct and inclusion on CMA maintained register

Where it appears to the CMA that any licenced or authorised person or entity or issuer of securities or a person or entity to which this Law or another related Law applies has contravened any provision of this Law related Law, regulation, directive, approved code, or rules, including those of an exchange or clearing house requirements, then CMA may, after giving the person or entity prior written notice of its intention, publish a statement detailing the misconduct.

2. Any statement of misconduct issued by CMA must be communicated as soon as practicable to the exchange to any other SRO of which the person or entity is a member or to any accrediting body.

Where CMA takes any action under this Part it must publish notice of the action on its website and include details in the register maintained by the CMA.

Article 87: Request for a court injunction or order to end violation and to provide remedy

CMA may request the court to grant an injunction or other order:

to restrain any person or entity that the CMA has reason to believe is acting in contravention of this Law related Law or any regulation, directive or approved code or rules, including those of an exchange or clearing or listing requirements;

to protect investors, the integrity of the capital market or financial market in Rwanda or the operation of any exchange or market or in relation to the issue of or trading in securities; or

if any person or entity has failed to grant access or produce information.

The court may grant an injunction, and make any other order that it considers is necessary or desirable in or to end the violation;

temporarily halt an offer or issue, including a takeover process, or any other action or activity where it is desirable to

protect the interests of investors or other participants in the capital market or capital market activity or an exchange

to allow CMA sufficient time to carry out an intervention, investigation or enquiry or otherwise exercise any of its powers

to support the preservation of information, or CMA gaining access or information as the result of a request from the person made in accordance with this Law or a related Law;

to protect investors or the integrity of the capital market or the operation of any exchange or market or in relation to the issue of or trading in securities;

to provide a remedy to the violation and for those who are, or may be, adversely impacted or to ensure that the capital market and investors are properly informed, or

to provide relief or protection and in any other circumstances in which the court considers the granting of an injunction or other order is warranted.

CHAPTER XVI: CMA INTERVENTION AND PROHIBITED TRANSACTIONS

Article 88: Prohibited transactions

CMA may by notice in writing, where it is of the opinion that a person or entity has or is proposing to enter into a prohibited activity or transaction, prohibit any person or entity to which this Law or any related Law applies from

entering into capital market activity or business activities including, any selling or buying transactions other than those for which the person or entity is licenced, approved, authorised or exempted to undertake;

intending to engage in business with persons or entities involved in unauthorised activities or for which the person or entity is not licenced, approved, authorised or exempt; or

carrying out any kind of capital market activity or business or transaction prohibited by this Law or a related law including under any approved rules or an exchange, market, clearing house or other SRO.

The notification must specify the grounds on which the prohibition decision was made and the date from which the prohibition takes effect and any conditions.

The notification under this Article shall also advise the concerned person or entity of its rights, if any, to appeal the decision to the Capital Market Independent Review panel against the prohibition decision.

The operation of any rights of appeal are not intended to operate to prevent CMA from taking any other action available under this Law or any other law to protect investors or the operation of an exchange or the capital market industry in Rwanda.

The powers of CMA under this Article, and remedies provided, are in addition to the exercise of any other powers or seeking other remedies available to CMA under this Law, any related Law or the law.

Article 89: Appointing an official administrator

CMA may appoint a person as an official administrator to take over the assets, management or operations of a person or entity on an interim basis:

in relation to the capital market activity or business activities of a person whose licence, approval, authorisation or exemption has been suspended, revoked, otherwise terminated or of a failing licenced, approved, authorised or exempted person or entity;

of a person or entity operating without holding a current licence as required under this Law or any related Law;

a fund or CIS regulated by CMA or to which the CIS Law or any other Law for which CMA is the regulator or co-regulator authority applies;

if CMA is of the opinion that a person or entity is engaging in money laundering or financing terrorism; or

if CMA is of the opinion that a person or entity is in breach of this Law or any related Law and the appointment is reasonably required to protect the interest of investors, other persons or entities or to preserve the integrity of the market or exchanges or otherwise to support the intention of the operations of any related Law.

Where the person or entity is a foreign person or entity then the power under this Article to take over the management or operations will be limited to those assets or operations located in Rwanda.

The remuneration payable to an official administrator shall be determined by CMA and where CMA determines that any assets recovered from the person or entity under official administration.

Where CMA appoints an official administrator, it shall give notice in writing of the appointment to the person or entity in relation to which the appointment is made and where the person or entity is subject to the supervision of the Registrar General or any other regulator notice shall also be given to the Registrar General and to any other relevant authority.

If CMA proposes to appoint an official administrator in respect of a person or entity:

suspected of engaging in money laundering or financing terrorism it will first consult with the relevant agency or authority responsible for the administration, supervision or monitoring of any Law governing money laundering or financing terrorism, or

subject to licensing or other regulation by another agency or responsible body then it will consult with that body before appointing an administrator.

An official administrator shall manage the whole, or the specified assets, of the person or entity or business, fund that is the subject of the official administration and for the purpose of doing so:

must comply with such directives given by CMA under this Law or any related Law; and

shall manage and operate the person, entity, business or CIS or any fund and assets honestly and in good faith; shall exercise care, diligence and skill that a reasonable person would exercise in comparable circumstances; and shall account to CMA for its official administration.

CMA may give such directions to the official administrator as to the powers and duties as it deems desirable in the circumstances of the case.

The official administrator may apply to CMA for instructions as to the manner in which the official administration is to be conducted, the management of the business of the person under official administration or any matter arising in the course of that management.

The powers of the official administrator, subject to paragraph 10 of this Article, shall terminate where:

The registration, licence, authorisation or exemption of the licence is restored;

a liquidator is appointed or if the trust is dissolved or otherwise is wound-up;

alternative management, operational or other arrangements are put in place that meet the requirements of CMA;

CMA determines that it should put an end to the official administration; or

a court order so provides.

The official administrator referred to in paragraph (1) of this Article may be initially appointed for period of one year, but the appointment is renewable.

Article 90: CMA imposition of restrictions on using assets

Where it considers it is in the public interest, CMA may, in addition to exercising any other powers or remedies available to it under any law, issue a notice that prohibits a registered, licenced or approved, authorised or exempted person or entity from disposing or dealing with its own assets or any assets over which it acts as a custodian, depositary, manager, clearing house or administrator and may do so before the appointment of an administrator or taking any other measure. Restrictions under this Article may be applied to persons outside Rwanda or who are established outside Rwanda where assets exist in Rwanda or are controlled from Rwanda.

CMA may also issue a prohibition in respect of any person or entity:

if that person or entity carries out, holds itself out as carrying out or that it proposes to carry out or engage in market activity or business, or any other activity in the capital market industry regulated by CMA without having required registration, licence, approval, authorisation or exemption, or

has issued or traded in securities in Rwanda.

The provisions of this Article apply to any approved or unapproved CIS.

CMA may exercise this power where it is the competent authority or regulator under any related Law.

CMA has the power to apply to a court for any order that it considers may be desirable or required to support or enforce a prohibition issued under this Article.

Article 91: CMA review or rescission of decisions and requests

CMA may, either on its own initiative or on request by a person or entity under prohibition, under an administrative restriction on assets or other requirement provided for in this Law, review, modify or amend or rescind a prohibition, appointment, restriction or requirement if in CMA's opinion it no longer appears necessary or is de

If, CMA refuses to invalidate, amend, modify, or rescind a prohibition or requirement on the request of the person to whom it applies, CMA shall notify that person thereof within a period not exceeding thirty (30) working days from receipt of the request.

Article 92: Winding up, termination or dissolution

CMA may present a petition to a court to seek to wind up, terminate or dissolve, as appropriate, any regulated, licensed, approved, authorised or exempted person or entity, or investment structure or business organisation including any trust, collective investment scheme, partnership or other form of capital market activity or business managed investment scheme or investment structure where:

the person, entity or other party is insolvent, or:

it is in the public interest or the interests of investors or the capital market or financial market in Rwanda, and

CMA satisfies the court that it is just and equitable that such order is granted.

CMA may also exercise this power in respect of unlicensed, unapproved, or unauthorised persons or entities engaged in, or holding themselves as being or proposing to be engaged in, capital market activity, business in the capital market industry regulated by this Law or any related Law or in respect of CMA's authority under any related Law that are operating in contravention of those Laws.

Where the party is subject to regulation by another regulator or competent authority under any other law, then CMA prior to presenting a wind-up application shall give notice of its intention to that other regulatory or competent authority. Failure to give such notice shall not operate to invalidate any application for a petition or any order granted by a court.

CHAPTER XVII: ACCESS TO INFORMATION AND Assistance by CMA to foreign regulatory authorities

Article 93: Access to registers maintained by CMA and documents

Any person may, upon payment of any prescribed fee, access any registers maintained by CMA and documents filed with the CMA or recorded on any register.

Any person may obtain from the CMA, upon payment of any prescribed fee, a copy of an entry in the register and any document.

Extracts from the register and copies of documents provided shall be authenticated by CMA's official seal as a true copy or extract.

A copy of, or extract, authenticated by CMA's official seal is admissible in all legal proceedings in evidence and accorded equal validity with the original document.

Article 94: Access to and restrictions on disclosure of information

CMA may specify by regulation or directive, categories of information or documents that are not to be disclosed without the consent of the concerned person or as otherwise provided in this Law.

The restriction on access or disclosure provided for in this Article shall not extend to any information or document:

relating to a person or entity's solvency, liquidity tests or financial standing that the person or entity is required to supply to CMA under its licence, authorisation or exemption requirements, or to

any prospectus approved by, or information memorandum filed with CMA and any supplemental document;

to any other offering document, takeover or other document that has been approved by CMA,

any annual report, annual benefit statement, annual accounts or financial statements or other continuous disclosure documents that the issuer is required by this Law or any related Law to lodge or file with CMA;

that is reasonably required for any court action or proceeding and available under any rules relating to disclosure, production, subpoena, or any other court process that would otherwise allow for disclosure or access, or

that is required to be disclosed under paragraph 3 of this Article.

CMA may disclose restricted information or documents, in the information or documents without the need to obtain the consent of the concerned person:

to any person or body or agency in charge of administering a compensation scheme;

if required by the Minister responsible for CMA;

to any other regulatory body or competent authority, the person or entity, activity or transaction is subject to or regulated by;

to any member of the Capital Market Independent Review Panel for the purposes only of the operation of that body;

to any person that has or is appointed or licenced to exercise any powers of audit, inspection, investigation;

to a foreign regulatory authority where otherwise provided for under this Law or a related Law;

where authorised under this Law to any foreign regulator;

to any court, and

to any officer of any agency, entity or body to which disclosure can be made under paragraph 3 of this Article.

CMA is not precluded from the disclosure of any information or documents for the purpose of enabling CMA, or any public or other body or authority to:

obtain legal or other professional or expert advice;

discharge any of its responsibilities under this Law, the CMA Law or any other Law,

c). to protect the public, investors or the capital market in Rwanda where CMA reasonably is of the opinion that disclosure is necessary.

Article 95: Further exemptions to restrictions on the disclosure of information and requirement for consent

No restriction on the disclosure of information or documents in Article 93 shall preclude the disclosure of information or require the obtaining of consent of any person or entity where the disclosure is involved or connected with any of the following:

criminal proceedings;

civil or disciplinary proceedings or proceedings before the Capital Market Independent Review Panel;

aiding or assisting CMA to exercise any powers conferred to it by this Law or any related Law, including for the monitoring, supervision and enforcement activities and actions or compliance; or to an SRO in respect of its members to allow the SRO to fulfil its role;

aiding or assisting exchanges, clearing houses, trustees, custodians, depositaries, managers, registrars, fund administrators or official administrators, including the managers and other parties involved in the administration of operation of a CIS, in the fulfilment of their contractual and legal obligations and any civil litigation being undertaken by them to protect the interests of investors or against any members;

any legal or professional advisor to an investor, or to other party to which this Article applies, to aid or assist them in the conduct of any civil or criminal litigation or any compensation body or Capital Market Independent Review Panel or to protect the interest of investors or recover property or seek compensation;

aiding or assisting any the operation of any compensation scheme;

aiding and assisting any Ombudsman or other regulator or official body to obtain information required for accomplishing the duties of the person, entity or body;

aiding and assisting the Auditor General of State Finances and any other auditor appointed under this Law or any related Law to obtain information required for accomplishing their duties;

aiding and assisting the Attorney General to obtain information required for accomplishing his/her duties;

aiding and assisting the Central Bank to fulfil its mission or regulator or competent authority under any other Law;

aiding and assisting an official receiver or liquidator to discharge their duties in accordance with the laws relating to insolvency, partnership, companies, trusts or collective investment schemes or other entity or investment structure or any other Law;

aiding and assisting any person appointed to exercise any investigation powers or any auditor appointed under this Law or any related Law to discharge his/her duties;

aiding or assisting foreign agencies with a mission similar to that of CMA, or

pursuant to the order of any court.

Article 96: Assistance by CMA to foreign regulatory authorities

CMA shall carry out investigations into any alleged breaches of the foreign law or regulatory requirements or provide such other information, opinion or assistance as may be requested by a foreign regulatory authority within the scope of a cooperation arrangement with the CMA.

CMA may, subject to the provisions of this Law and any other applicable law, provide assistance to foreign regulatory authorities in connection with any legal or regulatory requirement which such authorities choose to enforce whether or not there is an enforceable legal or regulatory requirement or violation in the Republic of Rwanda.

CMA may provide information, documents, opinion or other assistance requested by a foreign regulatory authority that is within the scope of a cooperation arrangement with the Authority.

CMA may use its powers to assist foreign regulators to obtain information from any person, including unlicensed persons or entities. These powers include searching for information and conducting inquiries with regard to violations of this Law, foreign laws and regulations on behalf of foreign regulatory bodies with similar mandate.

Article 97: Conditions to be met prior to provision of assistance to foreign regulatory authorities

CMA must determine whether providing assistance would be consistent with its responsibilities under this Law and any related Law or would be in the interest of the maintenance of the integrity of capital market in Rwanda.

Prior to making a decision, CMA shall consider whether the:

foreign regulatory authority is a legally recognized authority;

assistance sought would be used by the foreign regulatory authority in fulfilling its responsibilities;

foreign regulatory authority would provide comparable assistance to the CMA;

foreign regulatory authority is prepared to assist CMA with the cost of the investigation;

assistance would be relevant to the foreign regulatory authority in fulfilling its responsibilities provided by law with respect to securities or capital market instruments;

foreign regulatory authority would comply with any condition CMA may impose on the transmission of such information;

foreign regulatory authority is able to keep the information provided confidential;

provision of such information would maintain and enhance the reputation of capital market in Rwanda; or

a criminal proceeding has already been initiated in Rwanda based upon the same information being requested for by the foreign regulatory authority.

Article 98: Maintenance of registers and documents by CMA

CMA has to maintain a website and public registers of :

all documents approved by CMA following the commencement of this Law;

all documents filed with CMA as part of continuous disclosure obligations under this Law;

all annual reports and financial statements required to be filed or lodged with the CMA;

details of any annual benefit report required be filed or lodged with CMA;

details of all persons or entities who are licenced, approved or exempted for capital market activity, any business or in relation to the capital market industry, including exchanges, the activities to which the licence applies, and any conditions attached to the licence;

details of any sanction applied, suspension or withdrawal or cancellation or conditions or applied administrative penalties imposed, or court actions taken that related to any licence or exemption or in respect of an issue or related to market abuses or market manipulation or takeovers;

any direction or other intervention, appointment of an official administrator or inspector or action to wind up;

details of any authorisation of an employee or representative of a licence holder;

details of approved self-regulating organisations and the current approved rules issued or administered by that organisation;

details of any sanctions, disciplinary or other enforcement actions taken by or on behalf of CMA against any person under this Law or any related Law and the results of such actions;

where otherwise required under this Law or any related Law to be included;

other actions and matters that it is required by this Law to include and

for such other documents, details or actions or events as may be required by any law, regulation or directive

CMA may keep registers in any form provided that it is possible to easily inspect the registers and information and to produce a copy of the information in a legible form.

CMA is required to maintain documents and registers indefinitely.

Records of any disclosure on a website maintained by CMA should be maintained and be accessible indefinitely.

CHAPTER XVIII: CAPITAL MARKET INDEPENDENT REVIEW PANEL

Article 99: Establishment of Capital Market Independent Review Panel

The Capital Market Independent Review Panel is established under the prior Law is confirmed and reestablished.

The rights of any person or entity to seek review by the Capital Market Independent Review Panel that relate to decisions of the CMA and arose prior to this Law coming into force and operation shall continue to be available.

Article 100: Appeal to Capital Market Independent Review Panel

The Capital Market Independent Review Panel is to operate as an appeal panel in respect of decisions taken by CMA in relation to:

the refusal to grant or renew a licence of the imposition of conditions on a licence;

suspending, withdrawing or revoking a licence or exemption;

refusing to approve the public offer of securities or the listing of securities on any exchange;

suspending trading in any listed securities or issue of a spot order, and

on any other matter related capital market activity or where provided for under this Law or a related Law.

Access to the panel is not intended to limit any other legal rights or remedies that a person or entity subject to this Law or any other Law of Rwanda may have in respect of a decision of CMA or the implications of that decision.

A decision of the panel will not limit any person or entity exercising any other legal rights that that person has under this Law including those arising under any contractual or trust or other arrangement or relationship.

An application to the panel or any action pending before the panel shall not operate to limit the powers of CMA to take any action available under any law to protect the interests of investors or to preserve the integrity of the capital market in Rwanda.

Article 101: Capital Market Independent Review Panel regulations and directives

CMA may publish regulations or directives to determine the composition of the Capital Market Independent Review Panel and its powers and protocols for operating provided that such powers shall not exceed those of CMA.

Regulations or directives may determine the additional matters that may be subject to appeal to the Capital Market Independent Review Panel and impose limits on the time in which a request for an appeal must be made to CMA and the fees applicable to an application.

CHAPTER XIX: CAPITAL MARKET AUTHORITY RELATIONS WITH OTHER REGULATORY BODIES OUTSIDE RWANDA

Article 102: Information given or actions taken by other regulatory bodies

Information may be obtained by CMA exercising its powers under this Law and provided to another regulatory body, and actions may be undertaken by the CMA to support another regulatory body where:

a person whose principal place of business is in a country other than Rwanda;

a person whose principal business is regulated by a competent securities authority of the country in which the business has principal place.

CMA may declare that the requirements are fulfilled in accordance with this Law if:

the relevant regulatory body confirms that the requirements are fulfilled, and

CMA is satisfied with the organisation and competence of the management of that body.

CMA may take actions against any person or entity.

In taking such actions, CMA must take into account any action or expected action to be exercised by any other regulatory body in relation to that person or entity.

CMA may enter into any agreements with other regulatory bodies when the agreements are not contrary to this Article.

Article 103: Enforcement of decisions made by foreign regulatory bodies

CMA may exercise its disciplinary powers or powers of investigation and intervention at the request of a foreign regulatory body or for the purpose of supporting or assisting the foreign regulatory body to take any action.

The disciplinary powers of CMA for the purposes of this Article include, to:

withdraw or suspend a licence, exemption, authorisation, or an approval;

give a disqualification direction;

make public statements;

issue a stop order;

apply for a court injunction,

impose financial administrative penalties, or

take any other action permitted under this Law or any law.

In deciding to exercise such powers of disciplinary action, inspection, investigation or other intervention, the CMA shall take into account the following:

whether corresponding assistance would be given by the requesting foreign regulatory body to a regulatory authority in Rwanda;

whether the case concerns the breach of a law or regulations even if the case is not provided for under Rwandan Laws;

the seriousness of the case and its impact on persons in Rwanda, and

whether it is appropriate in the public interest to give the assistance sought.

The CMA may decline to provide such assistance unless the foreign regulatory body undertakes to make a financial contribution to assist CMA in paying the costs associated with that assistance.

CHAPTER XX: INFORMATION COLLECTION, INSPECTION AND INVESTIGATION

Article 104: Appointing persons to carry out inspection or investigation

CMA may appoint agents, employees, or any other competent person, to use, on its behalf any of the inspection or investigative powers provided for in this Law or any other Law or to otherwise assist CMA.

Article 105: Request for information, accounts, reports, data and systems

In addition to exercising any other power or authority provided for in this Law, the CMA Law, any related Law, or other law, CMA may, by written notice require:

any person or entity who is, or is required to be, licenced, approved, authorised or exempted, or who provides any services to such a person or entity;

any issuer or person or entity associated with an offer or issue of securities, or a takeover;

any person or entity who is responsible person, an SRO, auditor or other expert or professional advisor and is associated with any issue, prospectus, information memorandum or other report or opinion provided to, or required to be provided under this Law or any other Law, or

or any other person or entity,

to provide it with any information that it may reasonably require for the exercise of its mission, functions or powers and for the efficient implementation, operation, monitoring of compliance and enforcement of this Law, the CMA Law or any related Law.

CMA may, by written notice, require any, exchange, securities exchange or market operator, clearing houses, credit rating agency, any other person or entity, whether or not, licenced, approved, or exempted or any authorised person or entity or any other person or entity to provide it with information that it may reasonably require for the exercise of its mission, powers or functions, and the implementation, operation and enforcement of this Law, the CMA Law and any related Law.

No person or entity shall invoke professional secrecy, including, by way of example banker client confidentiality obligations under any Law, convention, rule or contractual arrangement, against the information collection powers of CMA granted in this Law or in any other law, or reasonably required to permit CMA to perform its functions or exercise its powers. This exclusion does not extend to require the breach of legal, attorney client professional privilege to the extent recognised by law or to which Ministerial or Cabinet confidentiality rules or protocols apply.

CMA's power to require the provision of information extends to:

any director, officer, employee or auditor or any person or entity;

requiring any person or entity to provide access to any accounts, reports or data and access to systems, including consents, passwords and source codes and to provide instructions to any third-party provider of data, systems or codes, or holding or storing such information, sufficient to permit CMA to have full access and capacity to obtain copies and to interrogate any system or data, and

documents, information and data held digitally or in any other electronic form or on the cloud or other remote storage or access system.

CMA may require that information or access is provided within a reasonable time and verify it in such manner as it may deem appropriate.

Article 106: CMA inspection

CMA may, at any time and without notice, enter any premises occupied by licenced, approved, authorised or exempted person or entity for the purposes of acquiring or accessing information.

CMA may, at any time and without notice, enter any premises if CMA is of the opinion that:

a person or entity is or has been operating or conducting capital market activity or business or engaging in the capital market industry in breach of, or contrary to the requirements, of this Law, or any related Law, including without holding the required licences, approvals, authorisation or exemption, and

that documents or information, or access to systems, data and codes, relevant to CMA's investigation may be found on or can be accessed from the premises or systems located or is accessible from the premises.

Article 107: CMA investigation

CMA may at any time carry out investigations on any issues related to the issue, offer or trading in securities, capital market activity or business, or the capital market industry when CMA is of the opinion that there are reasons to believe that a non-compliance with, or a breach or violation of this Law, the CMA Law or any related Law is occurring, or may have occurred, or to assist authorities inside Rwanda or authorities outside Rwanda as provided in this Law.

However, CMA shall not carry out investigation on an exempted person unless:
it is requested by that person;

it is established that the person has acted fraudulently, engaged in money laundering and financing of terrorism activities and any other illegal activities; or

the person is the subject of a request for information from a foreign regulatory authority.

Article 108: Obligation to report to CMA

Subject to the exclusion set out below, any person or entity including an auditor or an exchange or any SRO, that in the course of providing services to:-

a licenced person or entity, or to a person or entity under an obligation to be licenced in respect of its capital market activity or capital market business that it is undertaking, or

any company or entity whose securities are listed on an exchange,

who comes into possession of information indicating that such person or entity has engaged in activities or conduct that is prohibited by this Law or is in contravention of the provisions of this Law or any related Law, must as soon as practicable report the matter to CMA in writing.

A person or entity coming into possession of such information is under an obligation to report the matter to CMA notwithstanding any other obligation of confidentiality, contractual or otherwise.

The confidentiality exclusion set out in this Article does not extend to require the breach of legal, attorney client professional privilege to the extent recognised by Law or which would require a breach of Ministerial or Cabinet confidentiality rules or protocols.

CHAPTER XXI: FAULTS, OFFENCES AND SANCTIONS

Article 109: Determination of administrative sanctions

The Authority's regulation determines faults and administrative sanctions and procedures for imposition of such sanctions.

CHAPTER XXII: MISCELLANEOUS AND FINAL PROVISIONS

Article 110: Establishment of a compensation scheme

1. CMA has the power to establish a compensation scheme, or schemes, and may publish regulations and directives to establish a scheme to compensate investors that suffer pecuniary loss from any defalcation or fraud committed by any licenced persons, exchange, or any representatives or employee of a licenced exchange or any other licenced person or entity engaged in capital market activity.

2. The establishment of a new compensation scheme by CMA under this Article will not operate to reduce or in any other manner adversely impact on the rights that a person may have, or have had, under any prior scheme on operation on the date of gazetting this Law or under any other law or the right to commence or to continue an action for compensation under that scheme.

Article 111: Protection of CMA and appointees and advisors from personal or civil liability

In circumstances where it proved in the execution of duties errors omitted were done in good faith in discharging the powers under this Law or any related law or CIS Law in fulfilling any mission, functions or the performance of any duties or exercise of powers vested in the CMA, there shall be no liability incurred by:

CMA or any member of the board or employee of CMA,

any person appointed by CMA under this Law to assist CMA or to undertake any functions, or

any advisor or expert appointed by CMA to assist CMA

Article 112: Inconsistency between this Law and other Laws

If there is any inconsistency between the provisions of this Law and the provisions of other laws, the provisions of this Law prevail.

Article 113: Compliance period

Institutions involved in the implementation of this Law are given a period not exceeding twelve (12) months from the date of publication of this Law in the Official Gazette of the Republic of Rwanda to apply this Law.

CMA may also publish regulations or directives providing transitional periods for persons and entities to bring their functioning, activities and businesses in line with the provisions of this Law and for the continuing validity of existing licences, authorisations, exemptions and approvals during the transition period provided for in the regulation or directive.

Where a regulation or directive is issued that provides a transitional period then any repealed Laws and any regulations, directives or Orders made under those Laws continue to apply during the specified transitional period.

Article 114: Drafting, consideration and adoption of this Law

This Law was drafted in English, considered and adopted in Ikinyarwanda.

Article 115: Repealing provisions

Except as provided in Articles:- 119, 132, 136, 171 and 172 of this Law or as a consequence of a regulation or directive having been issued under Article 178 of this Law, Law 01/2011 of 10/02/2011 Regulating Capital Market in Rwanda and No 45/2018 of 13/08/2018 Modifying Law No 01/2011 Of 10/02/2011 Regulating Capital Market in Rwanda as Modified to Date and all prior legal provisions inconsistent with this Law are hereby repealed.

Article 116: Entry into force

The Law comes into force on the date of its publication in the Official Gazette of the Republic of Rwanda