



PRESS COMMUNIQUE

East African Securities Regulators agree on to develop regional frameworks for sustainability linked financing and carbon credit markets.

Nairobi, 3rd May 2024, The regional capital markets regulators, under the umbrella of East African Securities Regulatory Authorities (EASRA) have resolved to develop a regulatory framework for sustainable finance with a view to developing a harmonised regional framework. The framework will provide standards for regulating sustainability linked issuance of securities, use of proceeds, projects evaluation, and reporting. As testament of the iron-clad commitment of the regulators towards contributing to the net-zero agenda, regional regulators will also conduct a regional study on carbon credit market with the view to gaining an understanding of the existing stakeholders and the regulatory framework, which would then inform an East African regional carbon credit framework for domestication at national level.

Speaking at the meeting, the Chairperson of EASRA, Ms. Josephine Okui Ossiya, who is also the Chief Executive Officer of the Capital Markets Authority Uganda said that EASRA was keen on developing a new strategic plan for the next five years (2024 – 2029). To ensure that the plan meets the long-term funding needs of the region, it will be anchored on the East African Community Vision 2050, the African Union Agenda 2063 and the United Nations Sustainable development goals. She added that, “For relevance and the necessary buy-in, the strategic plan development process will see a wide variety of stakeholders being consulted, on what they would wish to see regional capital markets regulators do to facilitate capital raising while ensuring investor protection. We shall be reaching out to market intermediaries across the East African region to get their views on challenges they face and proposals on regulatory interventions that could eliminate the hurdles and ease market development.”

At the same meeting, the regulators also deliberated on key emerging issues in the region including oversight of commodities exchange markets, supervision of over-the-counter markets, segregation

of client assets, making private capital financing work for Small and Medium Enterprises, operation of regulatory sandboxes and growth of collective investment schemes. They noted the need to ensure the EAC market is homogeneous.

The committee further underscored the risks presented by macro-economic stability and urged members to develop local investor bases to mitigate the risk of reversal of inflows from off-shore investors. It was noted that EASRA remains a powerful platform to learn from each other and also identify early warning signs that may have a ripple effect on the region. To this end, the members committed to ensure continued information sharing.

The Chairperson welcomed the full establishment of CMA-Burundi. She further tasked the technical committees to expedite the process of bringing on-board The Democratic Republic of Congo, Republic of South Sudan and Somalia in fulfilment of the regional agenda of creating an integrated capital market.

ENDS

Ms. Josephine Okui Ossiya



Chief Executive Officer, Capital Markets Authority – Uganda

Chairperson-EASRA

Mr. Wycliffe Shamiah



Chief Executive, Capital Markets Authority – Kenya

Mr. Nicodemus Mkama



Chief Executive Officer, Capital Markets and Securities Authority - Tanzania

Mr. Eric Bundugu



Executive Director, Capital Market Authority – Rwanda

Dr. Arsene' Mugenzi



Chief Executive Officer, Capital Markets Authority Burundi

NOTES TO THE EDITOR

Capital Markets Authority (CMA)-Kenya, Capital Markets Authority (CMA)-Uganda and Capital Markets and Securities Authority (CMSA)-Tanzania entered into a Memorandum of Understanding (MoU) and adopted a common blue print on the integration of the East African Capital Markets in 1997. This MoU formed the basis for the establishment of the East African Securities Regulatory Authorities (EASRA). The Capital Markets Authority (CMA)-Rwanda later joined EASRA in 2009, and the Bank of the Republic of Burundi (BRB) (now CMA Burundi) in 2011. EASRA continues to operate as a consultative institutional forum where the regulatory authorities discuss matters of mutual interest that affect their market development and regulatory operations.

The main objectives of EASRA are Information sharing among the members; mutual assistance and cooperation between members; and advancing the integration of the East African capital markets. Under the memorandum signed by the regulators, EASRA is mandated to: Develop common capital market strategies; Harmonize capital market laws and structures; Foster regional capital markets development; Facilitate cross-border investments; Develop market infrastructure; Develop policy

proposals for capital markets incentives; Develop proposals for the alleviation of impediments; and
Develop a common/ similar trading system(s).