



PRESS RELEASE

BANK OF GHANA AND THE GHANA FIXED INCOME MARKET COMMITTEE LAUNCH REPO MARKET GUIDELINES

17 October 2019 – The Bank of Ghana (BOG) together with the Ghana Fixed Income Market (GFIM) Committee has today launched the ‘Guidelines for Repurchase Agreements’ in Ghana. This achievement is one of many initiatives to accelerate the country’s money market development and was presented by a high-ranking Ghanaian delegation to the World Bank/IMF Annual Meetings 2019 in Washington DC.

A well-functioning money market underpins liquidity in the secondary market for government securities, lowering the risk-free yield curve. Repurchase transactions, also known as repos, are a key money market instrument. With the risk-free curve as a reliable and transparent pricing reference for all other issuers of debt, funding costs decline for market stakeholders, including the government. All the above foster and help stabilize economic growth.

*“Repo markets facilitate the flow of cash and securities in financial markets. A well-functioning repo market contributes to the efficient allocation of capital in the real economy by supporting liquidity in other markets. Repo markets serve several benefits; they provide a low-risk option for cash investment, transform collateral, support cash-market efficiency and liquidity, facilitate the hedging of risk and enable investors to monetize liquid assets”- **Dr. Ernest Addison, Governor of the Bank of Ghana***

The accessibility and efficiency of African money markets can be greatly improved through the strengthening of the legal and regulatory environment that underpins repo transactions, specifically, the enforceability of standard financial markets master agreements. At the start of 2018 and following a Regulators’ Roundtable by Frontclear and the International Capital Markets Association (ICMA) on repo and Global Master Repurchase Agreement (GMRA) enforceability in Accra, the Bank of Ghana (BOG) and the wider GFIM Committee, embarked on an effort to address GMRA enforceability.

*“The adoption of these guidelines, I believe, will not only ensure legal certainty and enforceability but will also improve market transparency, liquidity and participation. Looking ahead, we hope to develop our repo market to grow beyond the borders of Ghana to improve intra-African trade. It is my firm belief we would one day be here again for another launch but this time for the whole of the African continent.”- **Dr. Maxwell Opoku Afari, Chairman of the GFIM***

The Ghana Fixed Income Market (GFIM) is the secondary market for all fixed income securities. Fixed income securities of the Government of Ghana (including treasury bills, notes and bonds) and Bank of Ghana bills are automatically admitted and traded on the GFIM upon issuance. GFIM, in collaboration with Bloomberg, has launched the Bloomberg E-Bond trading and market surveillance system, a new electronic trading system for Ghanaian government bonds.

The result – Ghana Repo Market Guidelines – has been launched today by Ghanaian dignitaries attending the WB/IMF Annual Meetings, including:

Dr. Ernest Addison, Governor of the Bank of Ghana
Honourable Charles Adu-Boahen, Deputy Minister of Finance
Dr. Maxwell Opoku-Afari, Chairman of the GFIM

“We are encouraged by the publication of these guidelines referencing the Global Master Repurchase Agreement, the principal master agreement for cross-border repos globally, as well as for many domestic repo markets around the world. We see this as a positive step in the development of the repo market in Ghana.” **Martin Scheck, Chief Executive of ICMA**

END

For media inquiries, contact:

Esi Hammond, Bank of Ghana | esi.hammond@bog.gov.gh