

# GHANA ALTERNATIVE MARKET





# GAX

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The Ghana Alternative Market (GAX) is an innovative market operated by the Ghana Stock Exchange. It focuses on businesses with high potential for growth. The GAX accommodates companies at various stages of their development, including start-ups and existing enterprises, both small and medium.

# **BENEFITS**

There are many benefits that accrue from listing on the GAX. These include:

## **EASIER ACCESS TO LONG – TERM CAPITAL**

- Listing on this market will afford companies the opportunity to secure long-term capital. The raising of such capital allows for future expansion, growth and greater ability to stand competition.

## **ACCESS TO LONG –TERM CAPITAL AT RELATIVELY LOWER COST**

- Raising long term capital through GAX will be at a relatively lower cost to the company. Advisory and Regulatory fees involved will be lower than that of the Main Market of the GSE. Securities and Exchange Commission guidelines insist on total cost not exceeding 5% of the total amount to be raised. The listing fees on GAX is also a fixed flat amount.

## **IMPROVEMENT IN THE FINANCIAL POSITION OF THE GAX COMPANY**

- An immediate benefit enjoyed by GAX listed company is the considerable improvement in its overall financial position. The injection of substantial equity funds, for example, greatly improves the company's balance sheet. With such capital reinforcement and market discipline imposed, improved profitability and efficiency are expected.

## **ENHANCED STATUS IN THE COMMUNITY**

- Listing on the GAX will raise the level of the investing community's awareness of the company and its products. This will result in a greater ability to attract high-caliber employees and increase general business opportunities.

## REALIZATION OF VALUE OF INVESTMENTS

- Owners of companies can also benefit from the realization of value of their investments when listed on GAX. The market will determine the value of the company and hence original owners can realize the value of their equity in their company.

## REDUCED RISKS AND IMPROVED LIQUIDITY

- The GAX will also enable the companies broaden their investor base and provide liquidity for their shareholders/investors.

## INCENTIVES

Companies may enjoy other incentives including:

## UNDERWRITING

- Mandating underwriting of the minimum offer directly or indirectly by sponsor. So there will be no failures of Initial Public Offers.

## GAX-SME LISTING SUPPORT FUND

- Access to a revolving fund to support the cost of raising capital and deferment of up-front fees. Companies listing on GAX can apply for funds under the GAX-SME listing support fund to partly pay for the cost of advisory services.

## KEY LISTING REQUIREMENTS

A company applying for listing on the GAX is expected to meet the following requirements:

### GENERAL CONDITIONS TO BE FULFILLED BY AN APPLICANT

- The issuer shall be a public limited liability company duly incorporated under the Companies Act 2019 (Act 992).
- The issuer of securities shall accept the continuing listing obligations which apply the admission of its securities to the GAX.

## STATED CAPITAL

- A company applying to list on the GAX must have a minimum stated capital of GH¢250,000 at the time of listing.
- The stated capital of GH¢250,000 shall be capital after the company's initial public offer but prior to listing.
- The stated capital for the rural banks listing on the GAX shall be as required by the Bank of Ghana.
- Where the surplus of the potential issuer is negative, the shareholder's funds of the company must be at least GH¢250,000.

## PUBLIC FLOAT

- The public float of the applicant must constitute a minimum of twenty-five percent (25%) of the total number of issued shares.
- The minimum number of public shareholders shall be twenty (20).

## PERIOD OF EXISTENCE

- For a company's securities to be eligible for admission to the GAX, the company must have operated for at least one year and have published or filed accounts in accordance with the Companies Act 2019 (Act 992) for at least one financial year.
- Admission may be granted to a start-up company, provided the applicant submits to the GAX a 3-year business plan, demonstrating clearly the viability of the applicant.

## PROFITABILITY

The company seeking admission to the GAX need not have recorded profits historically but must have the potential to make profit at least at the end of its third year of listing.

## TRANSFERABILITY OF SHARES

- The securities for which listing is sought must be freely transferable, subject only to restrictions imposed by the laws of Ghana.
- A prospective GAX company shall not issue paper certificates but shall have all its issued shares in electronic book entry form with the Central Securities Depository (Gh) Ltd. This is to facilitate trading in those shares.

## **DIRECTORS**

- At least fifty percent (50%) of the board shall be composed of non-executive directors and at least one (1) or approximately twenty-five percent (25%) of the total shall be independent
- All executive and non-executive directors shall attend a directors' induction program under the auspices of the GAX Committee.

## **MANAGEMENT**

- Management should have requisite expertise in the core business of the GAX Company
- The character and integrity of the management of the company shall be taken into account by the Committee in assessing the application for listing on the GAX.

## **SPONSORSHIP OF APPLICANTS FOR LISTING**

- Licensed Dealing Members, Investment Advisors or Issuing Houses shall sponsor an application for listing on the GAX.
- The sponsor shall underwrite directly or indirectly the minimum offer to be raised by the issuer.

## **CORPORATE ADVISOR**

- An applicant shall appoint a corporate advisor which may be an individual or corporate entity.
- The duties of the corporate advisor shall be to :
  - Advise and guide the directors of the GAX company about their continuing listing obligations on an on-going basis.
  - Provide the GAX with any information, in such form and within such time limits as the GAX may require; and
  - Liaise with the GAX on behalf of the company for which its acts where requested to do so.

# LISTING ON GAX

## METHODS OF LISTING ON GAX

Securities may be brought to the market by the following methods:

### INTRODUCTION

An introduction is suitable where a company does not need to raise capital and has the minimum number of 20 shareholders. A Statement in-lieu of Prospectus containing salient information about the company shall be required.

### PUBLIC OFFER

An offer to the public may be an offer for subscription or an offer for sale. In an offer for subscription, members of the public are invited to subscribe for an un-issued shares and the proceeds accrue to the company.

In an offer for sale, existing shareholders invite subscribers to purchase their shares and therefore, the proceeds accrue to the sellers. Public offers require the publication of a prospectus, which must be approved by the Securities and Exchange Commission and registered with the Registrar of Companies.

### PRIVATE PLACEMENT

A private placement is an offer for shares to selected parties where shares are "placed" or offered to subscribers by the company as the result of private negotiations.



## APPLICATION PROCEDURE

Once a company takes a decision to list, it shall proceed as follows:

- Appoint a sponsor and other advisors (valuator, lawyer, reporting accountant, media, etc.)
- Sponsor submits application documents to the GAX on behalf of company.

### *If listing is by Introduction, the*

- applicant company receives approval;
- shares are credited in the Central Securities Depository (Gh) Ltd; and
- shares are listed on the GAX.

### *If listing is through an offer or private placement,*

- applicant company completes offer;
- upon successful offer, applicant company receives approval from the GAX Committee;
- shares are credited in the Central Securities Depository (Gh) Ltd and
- shares are listed on the GAX.

## INFORMATION THAT GAX COMPANIES MUST CONTINUE TO REPORT TO THE GAX

While a company remains listed on the GAX, it is required to comply with the provisions under the continuing listing obligations and to provide information as requested by the GAX. Information required on an on-going basis for compliance purposes is the financial statements on half-yearly basis and the timely disclosure of any information material to an investor in deciding whether or not to invest in the company's shares.

## COST OF LISTING

Listing and application fees have been waived. A GAX listed company pays an annual fee of GH¢4,000.





# LICENSED DEALING MEMBERS (LDMs)

## 1. AMBER SECURITIES LTD

Registered Offices: 2nd Floor, Heritage Tower,  
6th Avenue Ridge Ambassadorial Enclave, Accra

Telephone: 233-302-679761/2

Fax: 233-302-679698

E-mail: [securities@amber.com.gh](mailto:securities@amber.com.gh)

Website: [www.amber.com.gh](http://www.amber.com.gh)

Postal Address: PMB 45 Ministries Accra

## 2. BULLION SECURITIES LIMITED

Registered Offices: The Octagon, Suite B904,  
Barnes Road, Accra, Ghana

Telephone: 233-54-0113508

E-mail: [trading@bullion.com.gh](mailto:trading@bullion.com.gh)

Website: [www.bullion.com.gh](http://www.bullion.com.gh)

## 3. CHAPEL HILL DENHAM SECURITIES GHANA LIMITED

Registered Offices: Suite 2, The Labone Office Park,  
N. Sithole Street, Labone

Telephone: 233-302-766865

Fax: 233-302-771346

E-Mail: [ghana.info@chapelhilldenham.com](mailto:ghana.info@chapelhilldenham.com)

Website: [www.chapelhilldenham.com](http://www.chapelhilldenham.com)

## LICENSED DEALING MEMBERS (LDMs)

### 4. DATABANK BROKERAGE LTD

Registered Offices: 61 Barnes Avenue, Adabraka, Accra, Ghana

Telephone: 233-302-610610

Fax: 233-302-669100

E-mail: [equities@databankgroup.com](mailto:equities@databankgroup.com) / [info@databankgroup.com](mailto:info@databankgroup.com) / [fixedincome@databankgroup.com](mailto:fixedincome@databankgroup.com)

Website: [www.databankgroup.com](http://www.databankgroup.com)

Postal Address: P.M.B Ministries Post Office, Accra, Ghana

### 5. EDC Stockbrokers Limited

Registered Offices: 2nd Floor, Ecobank Head Office Building,  
2 Morocco Lane, Off Independence Avenue

Telephone: 233-302-610400

E-mail: [esl@ecobank.com](mailto:esl@ecobank.com)

Website: [www.ecobank.com/swam](http://www.ecobank.com/swam)

### 6. TEAK TREE BROKERAGE LIMITED

Registered Offices: 2nd Floor, C625/3 Farrar Street,  
Asylum Down, Accra

Address: P.O.BOX AN 5879, ACCRA-NORTH

Telephone: 233-302-978838/9

E-mail: [info@ttbghana.com](mailto:info@ttbghana.com)

Website: [www.ttbghana.com](http://www.ttbghana.com)

## LICENSED DEALING MEMBERS (LDMs)

### **7. PRUDENTIAL STOCKBROKERS LIMITED**

Registered Offices: No 8 John Harmond Street,  
Ring Road Central, Accra

Telephone: 233-302-610610

Fax: 233-302-768046

E-mail: [info@prudentialstockbrokers.com](mailto:info@prudentialstockbrokers.com)

Website: [www.prudentialstockbrokers.com](http://www.prudentialstockbrokers.com)

Postal Address: P. O. Box CT 628, Cantonment, Accra

### **8. SERENGETI CAPITAL MARKETS LIMITED**

Registered Offices: 5 Abafun Crescent, Labone, Accra  
Post GPS: GL-026-9470

Telephone: 233-559-354050

E-mail: [ragbesi@serengeticapital.com](mailto:ragbesi@serengeticapital.com)

Website: [www.serengeticapital.com](http://www.serengeticapital.com)

Postal Address: P. O. Box CT 2868

### **9. FIRSTBANC BROKERAGE SERVICES LTD.**

Registered Offices: #7 Volta Street Off Patrice Lumumba Street,  
Airport Residential Area

Telephone: 233-302-781489/781484/780402

E-mail: [brokerage@firstbancgroup.com](mailto:brokerage@firstbancgroup.com)

Website: [www.firstbancgroup.com](http://www.firstbancgroup.com)

Postal Address: P. O. Box 1464 Osu, Accra

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## LICENSED DEALING MEMBERS (LDMs)

### 10. CDH SECURITIES LIMITED

Registered Offices: 36 Independence Avenue, North-Ridge, Accra

Telephone: 233-302-671050/0244974256

Fax: 233-302-662167

E-mail: [cdhsecurities@cdhgroup.co](mailto:cdhsecurities@cdhgroup.co) / [info@cdhgroup.co](mailto:info@cdhgroup.co)

Website: [securities.cdhgroup.co](http://securities.cdhgroup.co)

Postal Address: P.O.Box 14911, Accra

### 11. WORLDWIDE SECURITIES LIMITED

Registered Offices: 80 Ringway Link, Yeboah Afari Plaza Osu.

Telephone: 233-302-256001/2 233-302-764878/9

Fax: 233-302-764580

E-mail: [info@worldwidesecurities-gh.com](mailto:info@worldwidesecurities-gh.com)

Website: [www.worldwidesecurities-gh.com](http://www.worldwidesecurities-gh.com)

Postal Address: P. O. Box 01072 Osu, Accra

### 12. NTHC SECURITIES LIMITED

Registered Offices: Martco House, Okai-Mensah Link,  
Off Kwame Nkrumah Avenue Adabraka-Accra

Telephone: 233-302-235814/ 302-235616

Fax: 233-302-229975

E-mail: [info@nthc.com.gh](mailto:info@nthc.com.gh)/[securities@nthc.com.gh](mailto:securities@nthc.com.gh)

Website: [www.nthc.com.gh](http://www.nthc.com.gh)

Postal Address: P.O. Box KIA 9563, Airport - Accra, Ghana

## LICENSED DEALING MEMBERS (LDMs)

### 13. BLACK STAR BROKERAGE LIMITED

Registered Offices: The Rhombus, Plot 24 Tumu Avenue, Kanda - Accra.

Telephone: 233-302-227698/ 233-269-012542

E-mail: [info@blackstarbrokerage.com.gh](mailto:info@blackstarbrokerage.com.gh)

Website: [www.blackstarbrokerage.com.gh](http://www.blackstarbrokerage.com.gh)

Postal Address: PMB 59, Osu, Accra

### 14. SBG SECURITIES LTD

Registered Offices: 8th Floor, Stanbic Heights, 215 South Liberation Link, Airport

Telephone: 233-302-610690

Fax: 233-302-687669

E-mail: [brokerage@stanbic.com.gh](mailto:brokerage@stanbic.com.gh)

Website: [www.stanbicbank.com.gh](http://www.stanbicbank.com.gh)

Postal Address: P.O. Box CT 2344, Cantonments, Accra

### 15. IC SECURITIES (GHANA) LIMITED

Registered Offices: No. 2, 2nd Ridge Link, North Ridge, Accra

Postal Address: PMB GP 104, Accra

Telephone: 233-302-252621/3

Fax: 233-302-252517

E-mail: [gse@icsecurities.com](mailto:gse@icsecurities.com)

Website: [www.icsecurities.com](http://www.icsecurities.com)

### 16. SIC BROKERAGE LIMITED

Registered Offices: NO .67 A&B Switchback Road Cantonments

Telephone: 233-302-940056/940021

E-mail: [trader@sicbrokerage.com](mailto:trader@sicbrokerage.com)

Website: [www.sicbrokerage.com](http://www.sicbrokerage.com)

Postal Address: PMB CTPMB CT 314 Cantonments, Accra-Ghana



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### 17. REPUBLIC SECURITIES GHANA LTD

Registered Offices: 48A Sixth Avenue, North Ridge, Accra

Telephone: 233-302-940056/940021

E-mail: securities@republicghana.com

Website: [www.republicinvestmentsgh.com/republicsec/](http://www.republicinvestmentsgh.com/republicsec/)

Postal Address: P.O. Box CT 4603, Cantonments, Accra

### 18. UMB STOCKBROKERS LTD

Registered Offices: 57 Dr. Isert Street, North Ridge

Telephone: 233-302-251137

Fax: 233-302-251138

E-mail: stockbrokers@umbcapital.com

Website: [www.umbcapital.com](http://www.umbcapital.com)

### 19. STRATEGIC AFRICAN SECURITIES LTD

Registered Offices: 14th Floor, World Trade Centre Accra

Address: P. O. Box KA 16446, Airport, Accra

Telephone: 233 540116760 / + 233 302 661770 / 66190/ 661008

Fax: 233-302-663999

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Website: [www.sasghana.com](http://www.sasghana.com)

### 20. SARPONG CAPITAL LTD

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