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Ethiopian Capital Market Authority

Ethiopian Capital Market Fees Directive

WHEREAS, the powers and duties of the Ethiopian Capital Market Authority under the Ethiopian Capital Market Proclamation No. 1248/2021 (hereinafter the “Proclamation”) includes determining and collecting reasonable levies and fees from capital market participants for the services it provides and to cover the cost of its operations;

WHEREAS, it is necessary that the fees collected by the Authority are transparent and accessible to the public; and

NOW, THEREFORE, the Authority hereby issues this fees directive in accordance with its rights under Article 6.2 of the Proclamation.

PART ONE

GENERAL

1. Short Title

This directive shall be referred to as the “Capital Market Authority Fee Directive No. /2023.”

2. Definitions

In this directive, unless the context otherwise requires:

- (1) “Applicant” means a Capital Market Service Provider, a Securities Exchange and an Over-the-Counter Trading Platform seeking a license from the Authority for operation.
- (2) “Application Fee” means a one-time non-refundable fee paid by an applicant for a license or registration of securities.
- (3) “Authority” means the Ethiopian Capital Market Authority established under the Capital Market Proclamation No.1248/2021.
- (4) “Capital Market Service Provider” shall have the meaning provided for under Article 2 (7) of the Proclamation.
- (5) “Capital Market Transactions” shall mean any transaction on a Security Exchange, Over the Counter Trading Platform and Central Security Depository.
- (6) “Licensing Fee” means a fee paid to the Authority by Capital Market Service Providers, Security Exchanges, Over the Counter Trading Platforms and Central Security Depositories upon approval of their license.

- (7) “License Renewal Fee” means a recurring annual fee paid to the Authority by Capital Market Service Providers, Security Exchanges, Over the Counter Trading Platforms and Central Security Depositories.
- (8) “Registration Fee” means the fee charged by the Authority for the registration of publicly offered Securities.
- (9) “Securities” shall have the meaning provided for under Article 2 (62) of the Proclamation.
- (10) “Transaction Fee” means the fee charged by the Authority on each transaction executed on a licensed Securities Exchange, Over-the-Counter market, and a Central Security Depository.
- (11) Unless the context otherwise requires, any term used in this Directive shall have the meaning assigned to it in the Proclamation.

3. Scope of Application

This directive will apply to all Security Registrations, License applications and Capital Market Transactions under the Authority’s jurisdiction.

4. General Principles

The Authority shall:

- (1) collect fees in a non-discriminatory manner;
- (2) make its fees transparent and accessible to the public; and
- (3) ensure that the fees it sets are reasonably aligned with other comparable markets or countries.

5. Data Collection and Reporting

- (1) The Authority shall collect capital market transaction data from all market intermediaries under its jurisdiction.
- (2) All licensed market intermediaries shall submit periodic transactional record reports to the Authority in the frequency and manner it may request from time to time.

PART TWO

CAPITAL MARKET SERVICE PROVIDER LICENSING APPLICATION AND RENEWAL FEES

6. Application Fee

All Applicants seeking a license from the Authority as Capital Market Service Provider shall pay a non-refundable application and processing fee as follows:

No.	Service License	Application & Processing Fee ECMA (USD)
1	Securities Appraisal Firm	1,000
2	CIS Operator	1,000
3	Credit Rating Agency	1,000
4	Crowdfunding Intermediary	1,000
5	Securities Custodian	1,000
6	Securities Digital Sub-Broker	1,000
7	Securities Portfolio Manager	1,000
8	Securities Investment Advisor (Corporate)	1,000
9	Securities Investment Advisor (Individual)	500
10	Investment Bank (Within a Banking Group)	1,000
11	Investment Bank (Not Part of a Banking Group)	1,000
12	Securities Robo Adviser	1,000
13	Securities Broker Dealer	1,000
14	Securities Broker	1,000
15	Securities Dealer	1,000
16	Securities Sharia Adviser (Corporate)	1,000
17	Securities Sharia Adviser (Individual)	500
18	Appointed Representative	250

7. Licensing Fee

Upon approval of a license by the Authority, a Capital Market Service Provider shall pay a non-refundable license fee as follows:

No.	Service License	Licensing Fee ¹ (USD)
1	Securities Appraisal Firm	5,500
2	CIS Operator	9,000
3	Securities Credit Rating Agency	5,500
4	Crowdfunding Intermediary	2,200
5	Securities Custodian	36,000
6	Securities Digital Sub-Broker	2,200
7	Securities Portfolio Manager	5,500
8	Securities Investment Advisor (Corporate)	2,000
9	Securities Investment Advisor (Individual)	2,000
10	Investment Bank (Within a Banking Group)	36,000
11	Investment Bank (Not Part of a Banking Group)	9,000
12	Securities Robo Adviser	2,000
13	Securities Broker Dealer	4000
14	Securities Broker	2,200
15	Securities Dealer	2,000
16	Securities Sharia Adviser (Corporate)	2,000
17	Securities Sharia Adviser (Individual)	2,000
18	Appointed Representative	1,000

8. License Renewal fees

All Capital Market Service Providers shall pay annual license renewal fees as follows:

No.	Service License	Renewal Fee ² (USD)
1	Securities Appraisal Firm	4,200
2	CIS Operator	7,000

¹ License fee for CMSP is USD 2,000 or 2% of the minimum capital requirement, whichever is greater. Appointed Representative pay USD 1,000 licensing fee.

² CMSP license renewal fee is 75% of the license fee. Appointed Representative's license renewal fee is USD 750.

3	Securities Credit Rating Agency	4,200
4	Crowdfunding Intermediary	1,700
5	Securities Custodian	27,000
6	Securities Digital Sub-Broker	1,700
7	Securities Portfolio Manager	1,700
8	Securities Investment Advisor (Corporate)	1,500
9	Securities Investment Advisor (Individual)	1,500
10	Investment Bank (Within a Banking Group)	27,000
11	Investment Bank (Not Part of a Banking Group)	7,000
12	Securities Robo Adviser	1,500
13	Securities Broker Dealer	3,000
14	Securities Broker	1,700
15	Securities Dealer	1,500
16	Securities Sharia Adviser (Corporate)	1,500
17	Securities Sharia Adviser (Individual)	1,500
18	Appointed Representative	750

9. Transfer Fee for Appointed Representatives

Where an Appointed Representative changes appointment from one Capital Market Service Provider to another, it shall pay a Transfer Fee as follows:

Appointed Representative Transfer Fee (USD)	
Appointed Representative	750

PART THREE
MARKET INFRASTRUCTURE LICENSING FEE

10. License Application and Processing Fee

A Securities Exchange, an Over-the-Counter trading platform and a Central Securities Depository shall pay a non-refundable one-time license application and processing fee as follows:

No.	Service License	Licensing Fee (USD)
1	Securities Exchange	36,000
2	Over the Counter trading platform	36,000
3	Central Securities Depository	36,000

11. License Renewal fees

A Securities Exchange, an Over-the-Counter trading platform and a Central Securities Depository shall pay an annual license renewal fee of 1% of its gross revenue.

PART FOUR
SECURITIES APPLICATION & REGISTRATION FEES

12. Shares

Application and registration fees for share Securities shall be as follows:

Registration of Share Securities	
Application Fee	4,500 USD
Registration Fee	0.15 % of the total Value of Securities offering

13. Debt

(1) Corporate and SOE Bonds:

The Application and Registration fee for corporate debt securities shall be as follows:

Registration of Corporate Debt Security	
Application Fee	4,500 USD
Registration Fee	0.2 % of the total Value of Securities offering

(2) Municipality Debt:

The Application and Registration fee for municipal debt securities shall be as follows:

Registration of Municipal Debt Security	
Application Fee	Exempt from Fees
Registration Fee	0.1 % of the total Value of Securities offering

14. Collective Investment Schemes & Alternative Investment Schemes

Application and registration fees for Collective Investment Schemes & Alternative Investment Schemes shall be as follows:

Registration of CIS and AIS	
Application Fee	4,500 USD
Registration Fee	0.025 % of the total Value of the total offer

PART FIVE
TRANSACTION FEES

3. Securities Exchange and OTC Transaction Fees

The Authority's fees on Securities Exchange and Over the Counter trading facility transactions shall be as follows:

Product	Transaction Fee
Treasury Bill	0.0105% of the value of the transaction
Interbank	0.0072% of the value of the transaction
REPOs	0.0105% of the value of the transaction
Debt Securities	0.0105% of the value of the transaction
Commercial Paper	0.0105% of the value of the transaction
Shares	0.20% of the value of the transaction

4. Central Securities Depository Transaction Fees

The Authority's CSD transaction fees shall be as follows:

Product	Transaction Fee
CSD Transaction Fees	0.06% of the value of the transaction

PART SIX
MISCELLANEOUS PROVISIONS

5. Payment Period

- (1) All Application Fees shall be payable at the time of application or filling;
- (2) all License and Registration fees shall be payable upon the authorization of the license or registration; and
- (3) all License renewal fees shall be payable prior to renewal of the license by the Authority.

6. Conditions of Payment

The fees stipulated in this directive are set in US dollars, but the payment shall be made in Birr using the daily exchange rate issued by the National Bank of Ethiopia on the day the Authority prepares an invoice.

7. Amendment

The Authority may amend this Directive from time to time upon consultation with stakeholders and in accordance with the Proclamation.

8. Multiple Licenses

Applicants for multiple licenses shall pay all applicable fees for each license.

9. Transitional Provisions

- (1) Notwithstanding the provisions of this Directive, the Authority may, through a circular or notice, provide for transitional arrangements that vary from the specific provisions of this Directive.
- (2) Notwithstanding Sub-Article (1) of this Article, the Authority may not provide for transitional arrangements that impose more or stringent obligations than those prescribed by this Directive.
- (3) Such circulars or notices issued by the Authority as part of the transitional arrangements shall be deemed legally binding and integral to the implementation of this Directive.

10. Records

- (1) Payors shall maintain accurate records of fee payments for a minimum of ten years.
- (2) Upon a request by the Authority, payors shall furnish all relevant records and information related to fee payments.

11. Effective Date

This Directive shall be effective as of xxxxx, 2023.

DONE IN ADDIS ABABA ON THE DAY OF SEPTEMBER 2023
DR. BROOK TAYE
DIRECTOR GENERAL
ETHIOPIAN CAPITAL MARKET AUTHORITY