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Ethiopian Capital Market Authority

Ethiopian Capital Market Authority's

Fee Directive No.996/2024



**WHEREAS**, the powers and duties of the Authority under 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 Fee Directive in accordance with its rights under Article 108(2) of the Capital Market Proclamation No. 1248/2021.

## **PART ONE**

### **GENERAL**

#### **1. Short Title**

This directive may be cited as "the Capital Market Authority's Fee Directive No. 996/2024."

#### **2. Definitions**

Unless the context otherwise requires:

- (1) "Application Fee" means a one-time non-refundable fee paid by an applicant for either a license or registration of securities.
- (2) "Authority" means the Ethiopian Capital Market Authority established under the Capital Market Proclamation No. 1248/2021.
- (3) "Capital Market Transaction" means any transaction on a Security Exchange, an Over-the-Counter Market, or a Securities Depository and Clearing Company.
- (4) "Corporate Bond" means a bond issued to the public by share companies, public enterprises and multilateral agencies including Sukuk Bonds.
- (5) "Fixed Income Security" means debt instruments issued to the public including Corporate Bonds and Municipal Bonds.
- (6) "Licensing Fee" means a one-time fee paid to the Authority by a Capital Market Service Provider, Security Exchange, Over-the-Counter Market, or a Securities Depository and



Clearing Company upon approval of a license.

- (7) "License Renewal Fees" means a recurring annual fee paid to the Authority by a Capital Market Service Provider, Security Exchange, Over-the-Counter Market, or a Securities Depository and Clearing Company to renew its License.
- (8) "Market Infrastructure Service Providers" means a licensed Securities Exchange, Over-the-Counter Market and Securities Depository and Clearing Company.
- (9) "Municipal Bond" means a bond issued by a regional government, municipal government or other local administration authorized by applicable law to issue debt securities and offer them for public sale.
- (10) "Proclamation" means the Capital Market Proclamation No. 1248/2021.
- (11) "Registration Fee" means a fee paid to the Authority for the Registration of Securities under Article 75 of the Proclamation.
- (12) "Sukuk Bond" means a Debt Security that is compliant with Islamic law and Sharia principles.
- (13) "Transaction Fee" means a fee charged by the Authority on each transaction executed on a licensed Securities Exchange, Over-the-Counter Market, or a Securities Depository and Clearing Company.
- (14) Any term used in this Directive shall have the meaning assigned to it in the Proclamation.

### **3. Scope of Application**

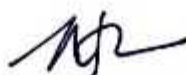
This Directive shall be applicable to all Registrations of Securities, License applications and Capital Market Transactions.

### **4. Data Collection and Reporting**

- (1) The Authority shall collect Capital Market Transaction data from all Regulated Persons.
- (2) All Regulated Persons shall submit annual transactional record reports to the Authority in the manner it may request from time to time.

## **PART TWO**

### **CAPITAL MARKET SERVICE PROVIDER FEES**



### 5. Application Fee

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

No.	Service License Type	Application Fee (ETB)
1	Securities Appraisal Firm	60,000
2	Collective Investment Scheme Operator	60,000
3	Credit Rating Agency	60,000
4	Crowdfunding Intermediary	60,000
5	Securities Custodian	60,000
6	Securities Digital Sub-Broker	60,000
7	Securities Portfolio Manager	60,000
8	Securities Investment Advisor (Corporate)	60,000
9	Securities Investment Advisor (Individual)	30,000
10	Investment Bank (Within a Banking Group)	60,000
11	Investment Bank (Not Part of a Banking Group)	60,000
12	Securities Robo Adviser	60,000
13	Securities Broker	60,000
14	Securities Dealer	60,000
15	Securities Sharia Adviser (Corporate)	60,000
16	Securities Sharia Adviser (Individual)	30,000
17	Appointed Representative	5,000

### 6. 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 Type	Licensing Fee (ETB)
1	Securities Appraisal Firm	330,000
2	Collective Investment Scheme Operator	540,000
3	Credit Rating Agency	330,000
4	Crowdfunding Intermediary	132,000
5	Securities Custodian	1,000,000
6	Securities Digital Sub-Broker	132,000
7	Securities Portfolio Manager	330,000
8	Securities Investment Advisor (Corporate)	240,000
9	Securities Investment Advisor (Individual)	60,000
10	Investment Bank (Within a Banking Group)	1,000,000
11	Investment Bank (Not Part of a Banking Group)	540,000
12	Securities Robo Adviser	120,000
13	Securities Broker	132,000
14	Securities Dealer	240,000
15	Securities Sharia Adviser (Corporate)	240,000
16	Securities Sharia Adviser (Individual)	60,000
17	Appointed Representative	10,000

#### 7. License Renewal fees

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

No.	Service License Type	Renewal Fee (Birr)
1	Securities Appraisal Firm	165,000
2	Collective Investment Scheme Operator	270,000
3	Credit Rating Agency	165,000
4	Crowdfunding Intermediary	66,000

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5	Securities Custodian	500,000
6	Securities Digital Sub-Broker	66,000
7	Securities Portfolio Manager	165,000
8	Securities Investment Advisor (Corporate)	120,000
9	Securities Investment Advisor (Individual)	30,000
10	Investment Bank (Within a Banking Group)	500,000
11	Investment Bank (Not Part of a Banking Group)	270,000
12	Securities Robo Adviser	60,000
13	Securities Broker	66,000
14	Securities Dealer	120,000
15	Securities Sharia Adviser (Corporate)	120,000
16	Securities Sharia Adviser (Individual)	30,000
17	Appointed Representative	5,000

#### 8. Appointed Representative - Transfer Fee

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 (Birr)	
Appointed Representative	5,000



*MR*

**PART THREE**  
**MARKET INFRASTRUCTURE SERVICE PROVIDERS LICENSE FEES**

**9. Application Fee**

A Securities Exchange, an Over-the-Counter Market and a Securities Depository and Clearing Company shall pay a non-refundable one-time application fee as follows:

No.	Service License Type	Application Fee (Birr)
1	Securities Exchange	500,000
2	Over-the-Counter Market	500,000
3	Securities Depository and Clearing Company	500,000

**10. Licensing Fee**

A Securities Exchange, an Over-the-Counter Market and a Securities Depository and Clearing Company shall pay a non-refundable one-time license fee as follows:

No.	Service License Type	Licensing Fee (Birr)
1	Securities Exchange	1,500,000
2	Over-the-Counter Market	1,500,000
3	Securities Depository and Clearing Company	1,500,000

**11. Annual License Renewal Fee**

A Securities Exchange, an Over-the-Counter Market and a Securities Depository and Clearing Company 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 the Registration of Share under Article 75 of the Proclamation which includes the review and approval of Prospectus shall be as follows:

<b>Registration of Shares</b>	
Application Fee	300,000 Birr
Registration Fee	0.1% of the total value of Share Securities offered

**13. Fixed Income Securities**

**(1) Corporate Bonds:**

Application and registration fees for the Registration of Fixed Income Securities under Article 75 of the Proclamation which includes the review and approval of Prospectus shall be as follows:

<b>Registration of Corporate Bonds</b>	
Application Fee	150,000 Birr
Registration Fee	0.05% of the total value of the Bond Securities offered

**(2) Municipality Bonds:**

The Application and Registration fee for Fixed Income Securities issued by Municipalities shall be as follows:

<b>Registration of Municipal Bonds</b>	
Application Fee	50,000 Birr
Registration Fee	0.025% of the total value of the Bond Securities offered





#### 14. Collective Investment Schemes

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

Registration of Collective Investment Schemes	
Application Fee	150,000 Birr
Registration Fee	0.1% of the total value of the Collective Investment Scheme Securities or Units offered

### PART FIVE TRANSACTION FEES

#### 15. Transaction Fees

The Authority's Transaction Fees shall be as follows:

Product	Transaction Fee
Fixed Income Securities	0.005% of the value of the transaction
Shares	0.15% of the value of the transaction

### PART SIX MISCELLANEOUS PROVISIONS

#### 16. Payment Period

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

#### 17. Multiple Licenses

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



## **18. Administrative Charges**

The Authority will publish on its website a periodic list of miscellaneous administrative charges for costs related to services including coping and issuance of replacement licenses.

## **19. Records**

- (1) Payors shall maintain accurate records and information 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.

## **20. Conditions upon which the Authority may temporarily waive or reduce any fees prescribed under this Directive with prior approval of the Board**

The Authority may, with the prior authorization of the Board, temporarily waive or reduce any fees prescribed under this Directive considering the nascent nature of the capital market, the need to develop market actors and increase market participation.

## **21. Effective Date**

This Directive shall come into force on the date of its registration with the Ministry of Justice and uploaded on its official website.

**DONE IN ADDIS ABABA  
March, 2024  
DR. BROOK TAYE  
DIRECTOR GENERAL  
ETHIOPIAN CAPITAL MARKET AUTHORITY**



**Brook Taye (Dr.)  
Director General**

