

REMARKS BY MR. KEITH KALYRGIRA, CEO, CAPITAL MARLETS AUTHORITY

AT THE PRESS CONFERENCE TO MARK THE SIGNING OF A MEMORANDUIM OF UNDERSTANDING BETWEEN THE CAPITAL MARKETS AUTHOURITY AND THE OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS.

24th MAY 2022, UGANDA MEDIA CENTER, KAMPALA

- Justice Jane Frances Abodo, the Director of Public Prosecutions (DPP).
- Members of the Media.
- Ladies and gentlemen;

In the Annual Crime Report 2021, Economic Crimes, some of which are capital markets related, increased by 9%. Moving from 10,057 cases in the year 2020 to 10,966 cases in 2021.

This is a clear indication of two things. Firstly, that Ugandans have a legitimate eagerness to grow their savings. Secondly, there is an increasing number of unscrupulous individuals that are taking advantage of this eagerness to prosper.

This is one of the reasons why this Memorandum of Understanding (MOU) between the Capital Markets Authority and Office of Director of Public Prosecutions (ODPP) is timely and historic.

With this MOU, the efficiency of prosecution of capital markets related offences, mostly by unlicensed individuals and firms, is set to rise, to ensure swifter justice to all Ugandans.

Given the likely economic impact on the Covid-19 pandemic and its impact on the Ugandan economy which led to the loss of jobs and incomes, a number of people are understandably bound to be desperate for survival.

The Authority is aware that during such challenging times, unscrupulous individuals tend to take advantage of the unsuspecting public. Numerous schemers are eyeing the little you have saved to cater for your basic needs.

Therefore, let us all be vigilant. Be wary of the following “If’s”

- If a deal sounds “too-good-to-be-true”, offering above market dividends; watch out, it could be a lie.
- If the scheme claims to be licensed or approved by an Authority or agency unknown to you and cannot produce proof that they are licensed to operate in Uganda.
- If they ask you to make a down payment.
- If the scheme purports to help disadvantaged or underprivileged people.
- If the scheme’s major claim to legitimacy is their affiliation to influential persons in the political, religious or business space.

- If the firm /scheme claims to be registered outside Uganda and has no clear operations as per the Ugandan laws.
- If the scheme operators use force or intimidate you into investing in their scheme products.

Contact the Capital Markets Authority, Uganda Police, the Office of the Director of Public Prosecutions or the relevant regulatory agency.

I wish to thank Justice Jane Frances Abodo and her staff for agreeing to this MOU which is essential to the economic growth of Uganda. Enforcement of capital markets related laws will improve access to long term, affordable financing and sources of relatively low risk avenues to grow passive investments.

Observance of Capital Market Law, and regulations ensures transparent, and fair transactions and ensures that the regulated market keeps pace with the rest of the world.

This ensures market development, economic growth, market liquidity, higher domestic credit to private sector and foreign direct investments. In addition, the rule of law, protects investors and citizens from falling victim to illegal practices that are on the rise of late.

Additionally, we would like to re-assure all our stakeholders and the general public that we are continuing to monitor all activities in Uganda's capital markets to ensure order, fairness and transparency.

Our primary objective remains protection of investors at all times.

Finally, the CMA urges members of the public;

- To deal with only licensed operators.
- To insist on getting balanced information about any financial product, which includes both the advantages and disadvantages of undertaking the investment.
- While investing in any product, avoid making direct payments in cash. All deposits should be made through traceable financial channels such as commercial banks, and mobile money.

If you are not sure about a scheme's legitimacy, contact the CMA or any other financial sector regulator to confirm its existence before you place any investments with them.

Due to the interest of time, allow me to end my remarks at this point.

I thank you.

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