



“Ensuring Investor Protection”

SECURITIES AND EXCHANGE COMMISSION

PRESS RELEASE

UPDATE ON IMPLEMENTATION OF BAILOUT PROGRAM FOR CLIENTS OF BLACKSHIELD FUND MANAGEMENT LTD (FORMERLY GOLD COAST)

(NOTICE NO. SEC/PR/001/03/2023)

FOR IMMEDIATE RELEASE

The Securities and Exchange Commission (hereinafter referred to as “SEC”) is the statutory body mandated by the Securities Industry Act 2016 (Act 929) as amended by the Securities Industry (Amendment) Act 2021, Act 1062 to promote the orderly growth and development of an efficient, fair, and transparent securities market in which investors and the integrity of the market are protected.

The SEC, acting within its mandate of protecting investors and the integrity of the securities market, wishes to update the general and investing public on the status of the Bailout implementation program, specifically on Blackshield Fund Management Company Limited (formerly Gold Coast Fund Management Limited) (Blackshield/Gold Coast).

Background to the Revocation Exercise

It will be recalled that, the SEC, acting in accordance with Section 122 (2) (b) of the Securities Industry Act 2016, (Act 929) (SIA) revoked the licenses of fifty-three (53) Fund Management Companies (FMCs) on 8th November 2019, due to various regulatory breaches including their inability to return clients’ funds estimated at eight billion cedis (GHS 8 billion), and significant breaches of applicable rules that created risks to financial stability. The licences were revoked in

accordance with the mandate of SEC to protect investors and the integrity of the capital market. Following the revocation of the licences, the SEC took the following actions to protect investors:

1. Notified the Registrar of Companies/Registrar General to petition the Court for orders to commence the official liquidation of the fifty-three (53) FMCs under the relevant law.
2. Appointed an agent in line with the relevant provisions of the SIA, to take copies of records and lock up premises to secure the assets of the affected companies.
3. Engaged the Government through the Ministry of Finance on a bailout package for affected clients of the FMCs. The Government agreed to the latter on two conditions: firstly, that liquidation orders must be granted by the courts; secondly, validation of claims of claimants should also be completed. Without these conditions, the full bailout cannot be rolled out. SEC is currently working with these conditions.
4. SEC mandated the agent to receive claims from the clients of the affected companies, acknowledge receipt of same and conduct validation of claims received from affected clients.

Concerns of Clients of Blackshield/Gold Coast

The SEC has noted some public comments by clients of Blackshield/Gold Coast and responds as follows:

a. Purported Release of GHS5.5 billion approved by Parliament for Blackshield/Gold Coast

The SEC has noted comments by representatives of Blackshield/Gold Coast clients for the disbursement of the GHS 5.5 billion Ghana cedis approved by Parliament and wishes to clarify that the amount approved by Parliament was for **all investors of the 47 companies** that had claims by investors and not for Blackshield/Gold Coast investors only. All investors with validated claims have therefore been contacted by Amalgamated Fund and GCB Capital Ltd., the entities managing implementation of the Bailout. The Government has yet to release the full GHS 5.5 billion to the implementing agencies of the Bailout.

The update received by the SEC from the implementing agencies of the Bailout is that so far, GHS 4.6 billion has been allocated as follows: GHS3.1 billion to Amalgamated Fund Tier 1 payments and GHS1.45 billion assigned to Amalgamated Fund Tier 2 payments. This disbursement includes the partial bailout program which entailed the payment of a sum of up to Fifty Thousand Ghana Cedis (GHS 50,000) to clients of Blackshield/Gold Coast and other companies who had not

received Winding up orders from the Court by October 2020 but whose claims had been validated. The total amount paid to Blackshield clients in the partial bailout is GHS 1.34 billion covering a total of 73,541 investors. Out of this amount, a total amount of GHS 757,539,141 has been used to fully settle 61,734 customers of Blackshield.

b. Request to SEC to urgently share documents with Blackshield/Gold Coast for the progression of the Official Winding-Up order

The decision to disburse bailout funds after validation of claims and an Official Winding-up order by the Court was to ensure that all claims are verified, and the assets and liabilities of the companies are transferred to the Registrar of Companies. In compliance with the Corporate Insolvency and Restructuring Act, 2020 (Act 1015), as amended by the Corporate Insolvency and Restructuring (Amendment) Act 2020 (Act 1031), an Official Winding-up order can only be granted by a Court hence the ongoing court process between the Office of the Registrar of Companies and Blackshield/Gold Coast. The SEC has complied fully with Blackshield/Gold Coast request for documents and is not delaying the court process. The Office of the Registrar of Companies has been granted 44 Official Winding-up orders by the Court and only 2 are outstanding, namely Blackshield Fund Management Company (formerly Gold Coast) and Kron Capital Ltd. The SEC has therefore cooperated with the court process to date and will continue to do so.

The SEC wishes to inform clients of Blackshield that the firm's lawyers were granted access to all documents when Blackshield appealed the revocation decision in November 2019. The server with critical information for Blackshield/Gold Coast was in the custody of Blackshield/Gold Coast from the date of revocation 8th November 2019 until SEC sought the help of the Economic and Organized Crime Office (EOCO) to retrieve the server in August 2020. It is erroneous to accuse the SEC of delaying a process that it has cooperated with in good faith.

The SEC wishes to appeal to all affected clients to remain calm and rely only on information provided by the SEC and the Official Liquidator. For more information, affected investors or members of the general public can please call the SEC via its toll-free line number: **0800100065** or email the SEC via **info@sec.gov.gh** or alternatively the office of the official liquidator by calling **0242439453** or visiting www.bailout.rgd.gov.gh for enquiries on the issue.

This Press Release is issued pursuant to Sections 3 and 208(c) of the Securities Industry Act, 2016 (Act 929) as amended.

ISSUED BY
THE SECURITIES AND EXCHANGE COMMISSION (SEC)
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