

ECSD & AMEDA Istanbul Summit  
2024

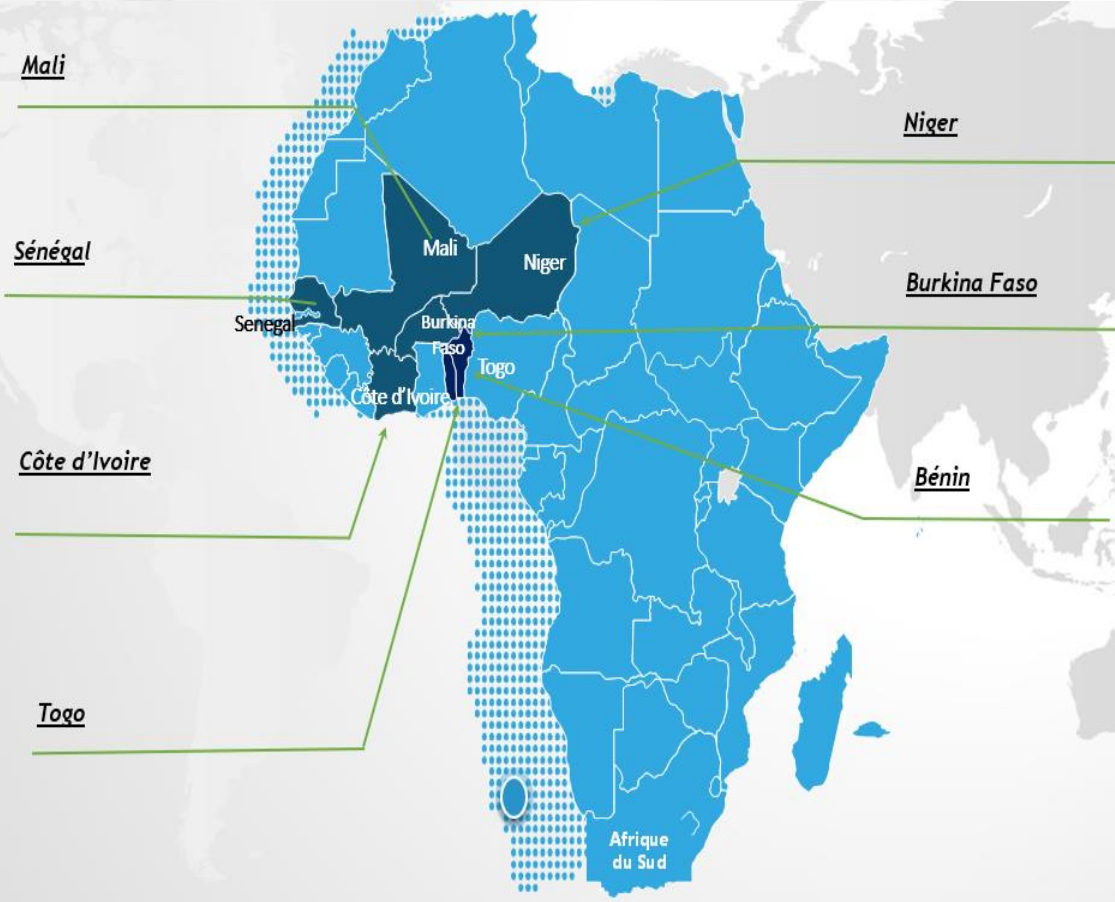
Panel theme: «**Best practices**»

Istanbul, le 04 oct. 2023

# Regional Capital Market of West African Economic Union (WAEMU) « **Best Practices** »



# Regional Financial Market of WEST AFRICA ECONOMIC AND MONETARY UNION



**Location:** WAEMU (West African Economic and Monetary Union) consists of eight West African countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

**Common Currency:** The region uses the **West African CFA franc (XOF)**, which is pegged to the euro at a fixed exchange rate (1 euro = 655.957 XOF), providing currency stability and facilitating international trade.

**Currency Stability:** The CFA franc is backed by the **French Treasury**, offering low inflation and exchange rate security.

**Population:** WAEMU has a combined population of over **130 million people**, creating a sizable consumer market.

**Economic Size:** The region's total **Gross Domestic Product (GDP)** is approximately **\$160 billion**, with Côte d'Ivoire being the largest contributor to the union's economy, followed by Senegal.

**Strategic Positioning:** WAEMU's monetary and economic integration provides a stable environment for cross-border trade and financial investments.

**Investment Potential:** WAEMU's economic integration, currency stability, and regional cooperation make it an attractive destination for investors seeking opportunities in West Africa.

# Key best practices for integrated capital markets

Best practices for integrated capital markets focus on fostering efficiency, transparency, stability, and accessibility across multiple jurisdictions. Integration of capital markets allows for seamless cross-border transactions, harmonized regulations, and increased investor confidence.

1. Harmonization of Regulatory Frameworks (standardized rules and regulation & Mutual recognition, Adoption of international standards);
2. Efficient cross-border settlement and clearing;
3. Unified trading platforms (cross-market connectivity, real time data sharing);
4. Common regulatory oversight and supervision (joint regulatory bodies, coordinated surveillance and enforcement);
5. Facilitating capital market mobility and foreign investment (capital market liberalization, tax harmonization and investor access and protections);
6. Enhanced corporate governance standards;
7. Harmonized legal framework;
8. Robust Market infrastructure;
9. Promoting liquidity and Market Depth;
10. Financial literacy and market education;
11. Synchronized corporations and timely processing (harmonization of corporate action processing, timely payment & settlement);

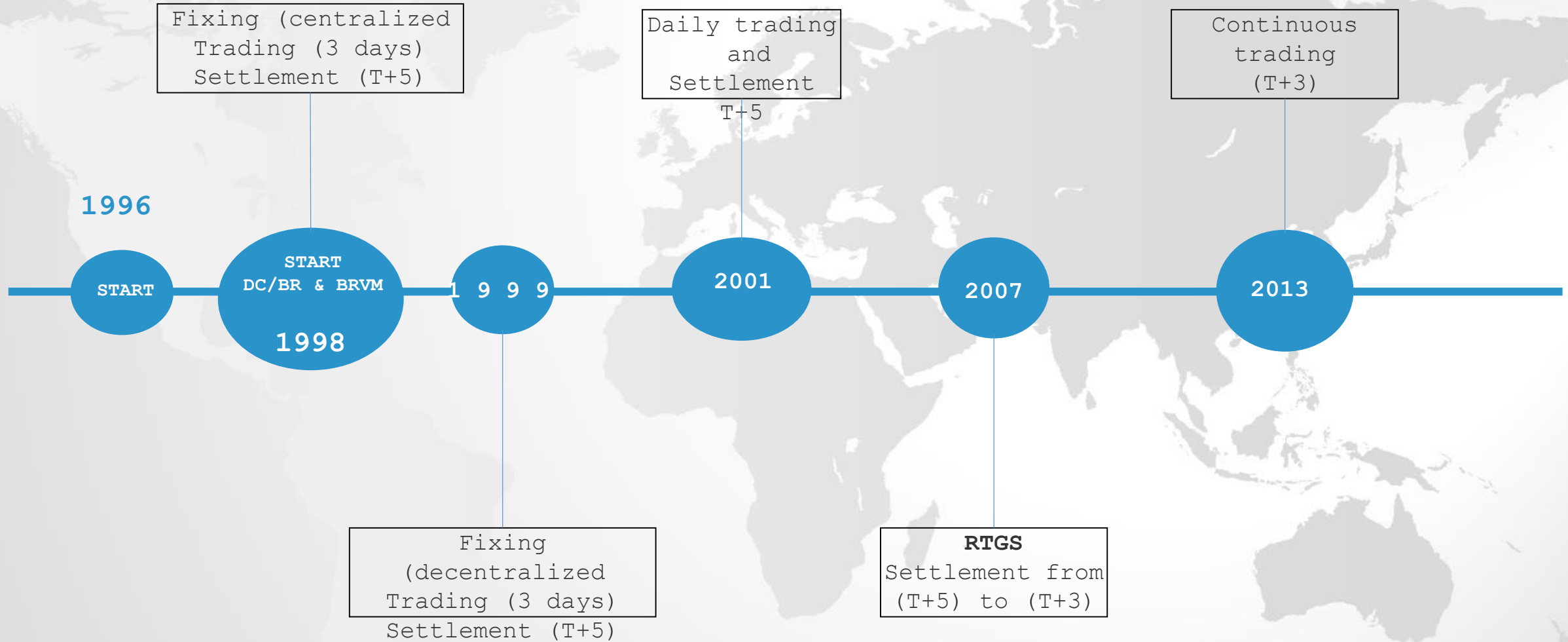
Unique CAPITAL MARKET REGULATOR - Unique STOCK EXCHANGE  
SECURITIES DEPOSITORY Unique CENTRAL

SECURITIES EXCHANGE  
COMMISSION  
AMF- UMOA

REGIONAL STOCK EXCHANGE  
(B R V M)

REGIONAL CENTRAL SECURITIES  
DEPOSITORY  
(Depositaire Central / Banque de  
Règlement)

# Key dates of WAEMU Regional Financial Market



# Fully integrated market and Unique regional capital market covering 8 countries

## REGIONAL STOCKEXCHANGE

- Private companies, created in 1996 and started operating in September 1998;
- Common CSD and stock exchange common to 8 countries of the West African Economic and Monetary Union (WAEMU) : Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo;
- Fully demutualized CSD and Stock Exchange;
- Only single unified, fully-integrated regional central depository and stock exchange in the world;
- Successful political, institutional and technical capital market integration ;
- Fully electronic CSD and Stock exchange, compliant to international standards;
- Common capital market rules;
- Common corporate law;
- Common currency;

- Equity markets and Bond market ;
- Continuous trading of securities ;
- Shares traded in fully dematerialized form.

## REGIONAL CENTRAL SECURITIES DEPOSITORY

- Securities lodged in dematerialized form ;
- Settlement cycle T+3;
- Settlement guaranty fund to mitigate settlement risk.

# Unique Capital Market serving 8 countries – total number of brokers 45 and 12 custodian banks

## Mali

Brokers : 3

## Senegal

Brokers: 7

Custodian banks : 3

## Côte d'Ivoire

Brokers : 16

Custodian banks : 7

## Togo

Brokers : 1

## Niger

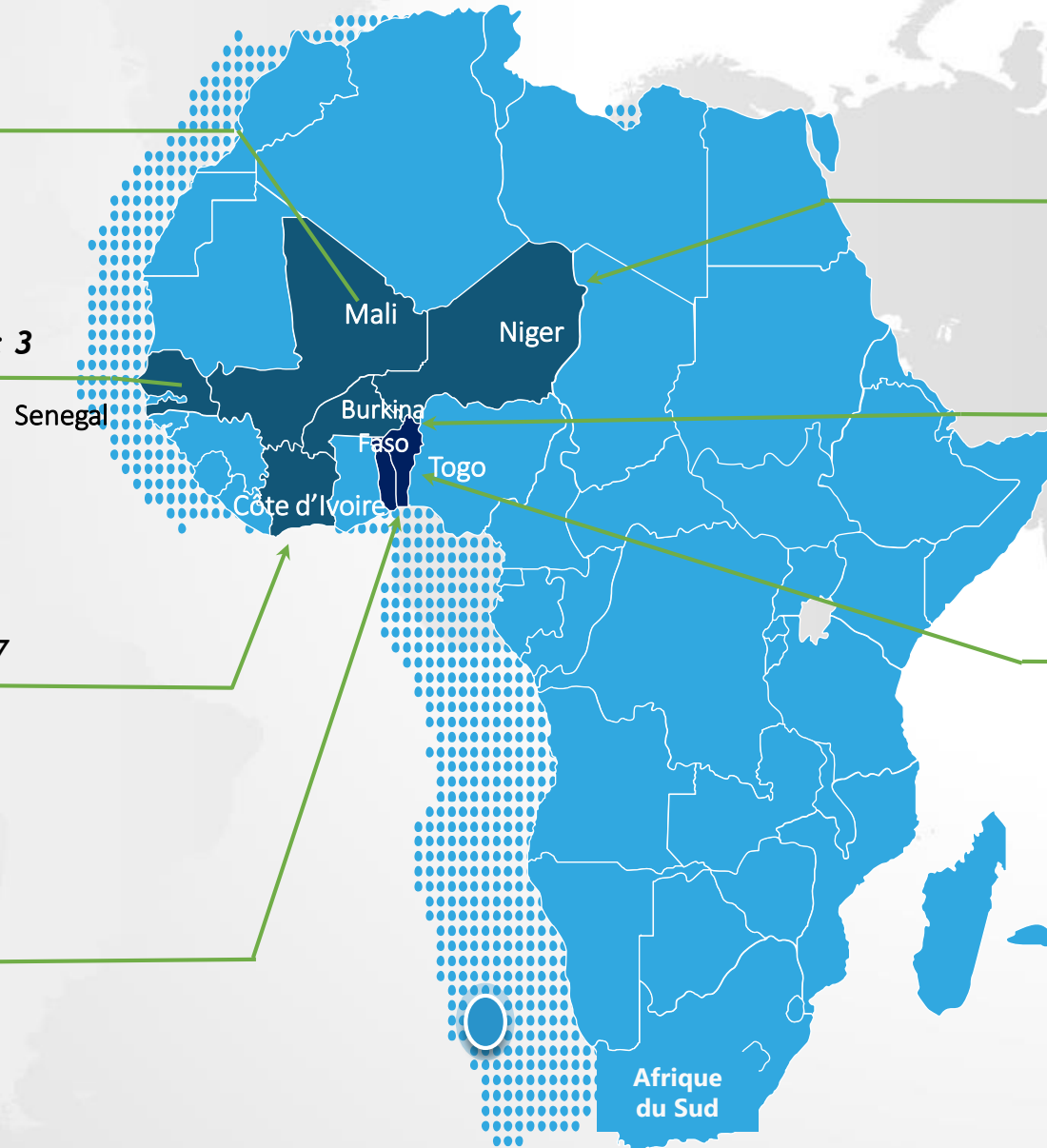
Broker : 1

## Burkina Faso

Brokers : 3

## Benin

Brokers : 6



## Missions of the Regional CSD – DC/BR

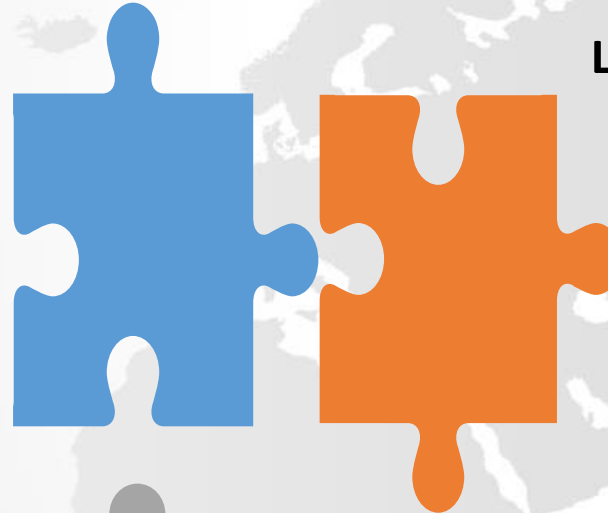
- The centralized custody of securities on behalf of participants (account registration)
- Settlement of the regional stock exchange transactions;
- Management of the market settlement guaranty fund;
- Regional numbering agency for ANNA for ISO standards ISIN (ISO 6166), CFI(ISO 10962), FISN (ISO 18774);
- Management of corporate actions, interest and capital reimbursement of bonds;
- Management of OTC transactions, securities transfer, pledgees, repo.



# Interactions of Regional Central Depository with the Regional Financial Market Ecosystem.

## Central Bank of West Africa (BCEAO)

RTGS (T+3)  
Financing window of BCEAO



## Listed and unlisted issuers

- Securities register management in dematerialized form/ANNA/custody services;
- Register in omnibus account;
- Management corporate action/ bonds remb. & interest payment.

## Regional Stock Exchange (BRVM)

Settlement of traded securities



Transfers of securities/pledge  
Financing window of the central bank



# Perspectives

## Ongoing projects..

Develop a product offering for the financial ecosystem based on Swift standards.

Digitize IPO operations (launch of the platform)

Develop across the Region the financial instruments numbering activity using ANNA ISO standards

Introduce collateral management services

Develop a Repository platform

Change the account model pattern from Omnibus to financial beneficial owner

Reduction of settlement cycle from T+3 to T+2

Participate in the ECOWAS Capital market integration project (Ghana, Nigeria and WAEMU capital markets)

**We are PIONEERS!**

To conclude, I would like to leave you with one key takeaway:

1. We go beyond an integrated market.
2. We are ONE market with
  - **A Common Central Bank**
  - **A Common Regulator**
  - **A Common currency**
  - **A Common Stock Exchange**
  - **A Common CSD**
  - **A Common corporate and business law**

# Thank you

