

Kwesi Bekoe Amissah-Arthur: Inauguration of the Board of Directors of the Central Securities Depository Ghana Limited

Address by Dr Kwesi Bekoe Amissah-Arthur, Governor of the Bank of Ghana, at the inauguration of the Board of Directors of the Central Securities Depository Ghana Limited, Accra, 9 September 2010.

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Mr. Chairman,
Deputy Governor,
Advisors,
Heads of Department and members of staff of the Bank of Ghana
Members of the media
Ladies and Gentlemen

On behalf of the Central Bank, let me welcome you to the inauguration of the Governing Board of the Central Securities Depository Ghana Limited.

Over the past few years, the Bank of Ghana has launched a number of initiatives to modernize the payments, clearing and settlement systems. Among them are: (i) the Real Time Gross Settlement System, (ii) the Cheque Codeline Clearing (CCC) with truncation, and (iii) the national switch and smartcard payment system, popularly known as e-zwich. These are key initiatives in the Bank's drive to reduce the reliance on cash-based transactions and improve the efficiency of the payments system.

Along with reforms of the banking and payment systems, the Bank of Ghana also has been active in improving the safety and efficiency of investments. An important initiative in this regard was the establishment of the Collateral Registry which registers collaterals created by borrowers to secure credit facilities.

Then there is the Central Securities Depository.

The Central Securities Depository was established in November 2004 as part of the quest to make Ghana an attractive investment destination. For almost six years now the CSD has been working without fanfare as a unit of the Bank of Ghana. We have decided to outdoor it today. We are in, effect, weaning the CSD off the mainstream Bank of Ghana coverage.

The CSD has facilitated the electronic issue and redemption of Government Securities. Interest and maturity processing have been enhanced and investors are assured of the proceeds on their investments in a cost effective and timely manner.

The CSD helps to reduce settlement risk thus ensuring that investors have the confidence on the market.

However, we recognize that the CSD is at an infant stage and will need to be complimented to be able to synchronize funds and securities settlements. This requires that the settlement systems (the GIS and the Depository) are linked for processing with minimal human intervention.

In complying with the requirements of the Central Securities Depository Act 2007 (Act 733), the Depository has been incorporated under the name Central Securities Depository Ghana Limited, a fully owned subsidiary of the Bank.

The ability to operate independently will depend on the direction the Board charts. In appointing the Board therefore we have been mindful to attract the key competencies to drive the process to the required standard.

I am confident of the caliber of people and I hope you will pool together your various skills and professional experiences to support the Depository to meet its full potential and thereby serve the public interest.

Mr. Chairman, Distinguished Directors, let me I congratulate you on your appointment to the Board of the Central Securities Depository Ghana Limited.

We expect you to deepen the governance practices of the Depository to enable you effectively exercise your authority to serve the interest of the investing public and that of the shareholders. I do not in any way doubt your ability to do exactly that.

The Bank of Ghana has invested substantial public resources in the setting up of the Depository. Therefore, it must achieve its purpose.

I wish to conclude by making a commendation. In the last few days, I have been made to appreciate the work of a few people whose dedication to duty contributed in bringing the depository to its present status. Let me to take this opportunity to show my appreciation particularly to Mr. Kofi Adu Labi and Mr. Kwesi Debrah and the many others, in the bank and outside of it, who worked in the background to make the depository an operational institution.

Mr. Chairman, Mr. Deputy Governor, Board Members, Heads of Department, Ladies and Gentlemen, I now have the honour of declaring the Board of Directors formally inaugurated.

Thank you and God bless you all.