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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             |



|    |   |         |
|----|---|---------|
| 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<br>(Birr) |       |
|---|-------|
| Appointed Representative                        | 5,000 |



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**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:

| Registration of Shares |   |
|------------------------|---|
| 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:

| Registration of Corporate Bonds |   |
|---------------------------------|---|
| 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:

| Registration of Municipal Bonds |  |
|---------------------------------|--|
| 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 the Authority's official website.

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

