



For Immediate Release

African Exchanges Linkage Project (AELP) onboards 30 Broker Firms to Facilitate Cross-border Trading

Friday, 29th April 2022 - The African Securities Exchanges Association (ASEA) is inching closer towards integrating the African capital markets by facilitating cross-border trading and free movement of investments in the continent.

Commenting on the progress, the ASEA President Dr. Edoh Kossi Amenounve said “*The facilitation of cross-border trading will open up the markets to a diverse portfolio and investment opportunities. Brokers and investors will be able to access a variety of asset classes available in their markets of interest. Increased and regular cross-border trading is expected to enhance liquidity in the AELP Exchanges*”.

The African Exchanges Linkage Project (AELP), a flagship project of ASEA and the African Development Bank (AfDB) is aimed at facilitating cross-border trading among seven participating Exchanges and select broker firms. In July 2021, ASEA signed a contract with DirectFN Ltd for the design and implementation of the AELP Link trading system in the seven markets.

The Exchanges participating in Phase1 of the AELP are: Bourse Régionale des Valeurs Mobilières (BRVM, integrating eight West African countries), Casablanca Stock Exchange (CSE), The Egyptian Exchange (EGX), Johannesburg Stock Exchange (JSE), Nairobi Securities Exchange (NSE), The Nigerian Exchange (NGX) and Stock Exchange of Mauritius (SEM).

The African Funds Flow statistics measuring trade transactions between the seven Exchanges showed that cross-border trading has increased in the past three years. The AELP aims to automate the trading process and enable brokers to access information and see the market depth and liquidity of the participating markets. The linkage will happen through two main processes where Exchanges will be connected to the live market data Link, enabling traders to see live order-books across the markets, thereafter brokers will be interfaced with the system for order placement and execution.

Four Exchanges (BRVM, CSE, EGX and NGX) have been successfully connected to the Link trading terminal live environment as the integration process continues for the other Exchanges.

Stockbrokers and Securities Dealers are critical stakeholders in the Linkage process. In the first phase of the project, five (5) brokers from each of the seven participating Exchanges will be integrated to the AELP Link. Through the coordination of the Exchanges and the African Stockbrokers and Securities Dealers Association (ASSDA), thirty (30) broker firms have confirmed participation in the pilot phase. ASSDA which was formed in 2019 is an association of national associations of stockbrokers and securities dealers from six of the participating Exchanges. The selection was based on an agreed criteria, and expression of interest by approved licensed dealing members from each of the participating Exchanges. The ASSDA Organizing Secretary, Mr. Willie Njoroge observed that “*stockbrokers and securities dealers*

are excited about the AELP Project that shall enable them offer their clients a much wider selection of investable securities across Africa.”

The brokers participating in Phase 1 are:

- I. **NGX:** FBNQuest Securities Limited; Stanbic IBTC Stockbrokers Limited; Rencap Securities (Nig) Limited; Cardinal Stone Securities Ltd; Cordros Securities Limited
- II. **BRVM:** BOA Capital Securities; SGI -Coris Bourse; CGF Bourse; FGI Bourse; Societe General Capital Securities (SGCS)
- III. **CSE:** BMCE Capital Bourse; CDG Capital Bourse; Attijari Intermédiation; Upline Securities; CFG Marchés
- IV. **NSE:** AIB- AXYS; Dyer & Blair Investment Bank; Faida Investment Bank; NCBA Investment Bank; Sterling Capital
- V. **SEM:** MCB Stockbrokers Ltd; AXYS Stockbrokers Ltd; Swan Securities Ltd; MUA Stockbroking Ltd; Capital Market Brokers
- VI. **EGX:** Sigma Capital; Mubasher Egypt; CI Capital Securities; Beltone Financial; Arqaam Securities

JSE: Broker engagement and selection process is ongoing.

The AELP Link, a broker-to-broker network, will send orders from a broker on one Exchange to a sponsoring broker on the host Exchange (where the security is listed). The sponsoring broker will then put an order into the host Exchanges' Automated Trading System (ATS) through an integration of existing Broker Order Management Systems (OMS) to the AELP Link trading terminal. Brokers without existing OMS will be enabled through an online link.

The sponsoring broker will clear and settle trades in the host market using their local currency ~~in and~~ in compliance with the host market's rules and practices. Payments through bank transfers remains a separate process and will follow the current practice within the respective markets. In addition, stocks are held on the host market Central Securities Depository (the market where the trade was executed).

Future phases of the project may include automated cross-border payment systems, participation of additional ASEA member Exchanges and their respective brokers and additional brokers from the current participating Exchanges after the pilot phase.

Read more [here](#).

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Notes to the editor:

About ASEA

The African Securities Exchanges Association (www.african-exchanges.org) is the Premier Association of the 25 securities exchanges in Africa who have come together with the aim of developing Member Exchanges and providing a platform for networking. ASEA was established in 1993 and works closely with its Members to unlock the potential of the African Capital Markets.

About ASSDA

The African Stockbrokers and Securities Dealers Association (ASSDA) is a Pan-African association of registered national associations whose members are stockbrokers or securities dealers, or associations whose Members deal in securities in one form or another. The AfDB and ASEA are Observer Members of ASSDA. On 26th November 2019, in Kasane Botswana, six African stockbroking associations signed a Memorandum of Understanding establishing the African Stockbrokers and Securities Dealers Association (ASSDA). The MOU was a culmination of discussions between the national associations engaged in stockbroking and securities dealing from the founding member countries of Egypt, Kenya, Mauritius, Morocco, Nigeria, and the West African Economic and Monetary Union (WAEMU) countries.