

The Stock Exchange Corner

The Guyana Stock Exchange

From questions posed by members of the public from time to time, the Guyana Association of Securities Companies & Intermediaries Inc. (GASCI), hereafter referred to as the Guyana Stock Exchange, realizes that there is a need to sensitize the public to the role and functions of the Stock Exchange. Hence a series of articles will be published to this end. Our first instalment will introduce the Guyana Stock Exchange to you.

The Guyana Association of Securities Companies & Intermediaries Incorporated (GASCI) was incorporated on June 4th, 2001. It is the result of earlier work undertaken by the Adam Smith Institute funded by the UK Department for International Development. It is registered as a Self-Regulatory Organisation (SRO) with the Guyana Securities Council to “function in the capacities both as an association of Securities Companies and Intermediaries and as a Securities Exchange under section 33 (3) of the Securities Industry Act 1998”. This took effect from June 30th, 2003 when the Exchange opened its doors for the first trading session.

The Stock Exchange was officially opened on September 25th, 2003 by the Honourable Samuel Hinds, then Acting President of Guyana.

Its current membership consists of four securities companies registered to trade on the Stock Exchange, viz. Beharry Stockbrokers Ltd., Guyana Americas Merchant Bank Inc., Hand-in-Hand Trust Corporation Inc. and Trust Company (Guyana) Ltd. The application of a fifth company is being scrutinized to ensure that it meets the requirements of the Stock Exchange as well as the Guyana Securities Council.

A stock exchange is the market where securities including shares of Public Companies are bought and sold with prices being determined by supply and demand. A developed stock exchange has a basic function to enable Public companies, Governments and Local Authorities to raise capital by selling securities to investors and which is also known as the Primary Market Function. This has not taken place locally as yet. The Guyana Stock Exchange performs a Secondary Market Function whereby shares of Public Companies, already held by the public, are traded by way of sales and purchases.

As a self-regulated body, the Exchange oversees the activities of the securities companies as well as the companies whose shares are traded on the Exchange. The records and activities of the stockbroking companies are audited annually by the Stock Exchange to ensure compliance with its rules which encompass the Securities Industry Act and its Regulations. The Exchange examines the activities of the companies whose shares are traded, with special emphasis on good governance and adequate and accurate financial disclosure. It is essential that investors are provided with adequate and timely information to guide them in their investment decisions.

The securities industry as a whole is regulated by the Guyana Securities Council, deriving its powers from the Securities Industry Act 1998.

The Stock Exchange's first trading session did not result in any trades but offers (to sell) were posted for four companies. The Best Offers as at June 30th, 2003 are compared below with Best Offers the last time the shares were traded.

Issuer Name	Mnemonic	Best Offer-30/6/2003	Date of last trade	Best Offer
National Bank of Industry & Commerce Ltd.	NBI	15.0	10/10/2005	30.0
Guyana Bank for Trade & Industry Ltd.	BTI	28.0	24/10/2005	80.0
Banks DIH	DIH	7.5	24/10/2005	12.4
Demerara Distillers Ltd.	DDL	7.5	24/10/2005	7.7

Note: The Best Offer is the lowest price at which shares are being offered for sale.

Next week – More on the role and functions of the Guyana Stock Exchange.