

New e-platform links 7 African capital markets with \$1.5tn market capitalisation

Cross-border securities trading among seven African stock exchanges is now possible thanks to the launch of a new trading link.



Source: [Fxabay](#)

Dubbed the AELP trading link, the e-platform - launched by the African exchanges linkage project (AELP) - connects the exchanges' 2,000 companies with a market capitalisation of approximately \$1.5tn.

The AELP link trading platform incorporates stock-market integration, an order routing system, and market and order-book data sharing.

AELP is a joint initiative of the African Development Bank and the African securities exchanges association (Asea). Through a grant from Korea-Africa economic co-operation trust fund (KOAFEC), the bank is funding Asea's phased rollout of the project.

The launch took place on 7 December 2022 on the sidelines of the Asea 2022 annual general meeting and annual conference, which is taking place in Abidjan, Cote d'Ivoire, from 7 to 9 December 2022.

Executives from African stock exchanges, the African Development Bank, institutional investors, stockbrokers, and the

investor community attended the launch.

New era of African capital markets

Edoh Kossi Amenounve, Asea's president, said: "With AELP, we are entering a new era of African capital markets where all our members will gradually transact cross-border trades from one African securities exchange to another. This project represents a great opportunity for investors and issuers across the continent."

The first phase of the AELP will connect seven stock exchanges across 14 African countries: Morocco, Egypt, Nigeria, Kenya, Mauritius, South Africa and the West Africa Economic and Monetary Union, which comprises Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. The AELP trading link went live on 18 November following a beta testing period. The system is being deployed in partnership with DirectFN Ltd.

AELP also provides training programmes targeting financial market practitioners on cross-border investment practices, and investment rules across the participating markets. Capacity-building programmes have benefitted financial market regulators, stockbrokers (security dealers), custodians, central bankers, and other stakeholders.



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The African Development Bank and ASEA have also jointly supported the establishment of the African Stockbrokers and Securities Dealers Association as a pioneering pan-African platform for collaboration between security dealers on capital markets integration and financial products innovation.

The African Development Bank's manager for Capital Markets Development, Ahmed Attout, said: "It is our pleasure to partner with Asea through this process culminating in the operationalisation of the African Exchanges Linkage Project Link Trading Platform."

The AELP is a transformational project that aligns with the African continental free trade agreement's objective of establishing a liberalised market to aid the movement of capital, facilitate investments and deepen the continent's economic integration.

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