

## Banking sector clean-up:

# Govt allots GH¢4bn to pay customers

BY JULIUS YAO PETETSI

**T**HE government has budgeted an amount of GH¢4.1 billion to pay the locked up funds of customers of Gold Coast Fund Management Company Limited, the Minister of State designate at the Ministry of Finance, Abena Osei-Asare, has disclosed.

The amount is the remainder of the GH¢8.9 billion locked up funds of Asset Management Companies (AMCs) in the banking sector clean-up exercise.

“(Government) has allocated about GH¢4 billion and that is in respect of the Asset Management Companies and other financial matters,” she told the Committee investigating government’s failure to pay customers of locked up funds yesterday in Accra.

The release and payment of that amount, she said, was contingent on the availability of funds to the

government.

“These numbers are estimates. (The ability of government to pay as contained in the budget) depends on revenues that will come in,” she clarified.

For example, she said in 2020, government earmarked GH¢3.1 billion and actually paid GH¢3.4 billion, and in 2021, budgeted for GH¢5.5 but managed to pay only GH¢1.36 billion; depending on the availability of funds.

The category of persons whose locked up funds are yet to be paid are those whose investments are more than GH¢50,000.

Those whose investments have been redeemed are persons whose investments are below GH¢50,000.

She explained that the delay in redeeming the rest of the amount was as a result of the challenge brought against government for the revocation of licence of the AMCs in the banking sector clean-up.

“Another cause of delay is the litigation. It has started and was

at its peak and we had to stop the payment,” the Atiwa East MP said, adding that it was the reason why there were no allocations in 2022 and 2023 fiscal years.

According to Mrs Osei-Asare, the redemption of investments below GH¢50,000 were on “humanitarian and compassionate grounds” following a suit brought against the government and its agents over the liquidation of the AMCs.

The allocation, she said, was based on the validation done by the Security and Exchange Commission assuring that government was committed to redeeming the locked up funds of the customers.

Per the records of the SEC, the number of customers left to be settled is about 28,000.

The formation of the Joe Ghartey chaired Committee was necessitated by a petition brought before the House by Bawku Central MP, Mahama Ayariga, on behalf of the customers.

Other members of the Committee are the outgoing Dr Benja-



• Mrs Abena Osei-Asare

min Yeboah Sekyere, MP, Tano South, Kwasi Ameyaw-Cheremeh, Sunyani East, all NPP MPs.

The rest are Edwin Nii Lante Vanderpuye, MP, Odododiodioo,

and Member for Awutu Senya West, Gizella Akushika Tetteh-Agbotui, all NDC MPs, and Dr Theophilus Acheampong and Antonio Kesse as the technical people.