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IT is hereby notified that the Securities and Exchange Commission has, in terms of section 65(3) of the Securities and Exchange Act [*Chapter 24:25*], approved the following Rules:

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#### *Title*

1. These Rules may be cited as the Securities and Exchange (Financial Securities Exchange Alternative Trading Platform) Rules, 2021

## ***Interpretation***

2. In these Rules -

<b>Term</b>	<b>Definition</b>
“Advertisement”	means any written, printed, electronic or oral communication, including a communication by means of a public radio service, television broadcast or any other media, which communication is directed to the general public, or any section thereof, or to any client, and is intended to call attention to, or to market or promote, the services offered by a participant, and which does not purport to provide detailed information about such services; and “advertising” has a corresponding meaning.
“Aggregate position”	means collectively all the proprietary positions in related Exchange contracts registered in the name of a Clearing Participant or collectively, all the positions in related Exchange contracts registered in the name of a client who has traded with a particular Clearing Participant to open such positions.
“Allotment”	The crediting of securities to a securities account.
“Auction”	means the matching of buy and sell orders cumulated over a period of time to determine the execution price of a security based on volume maximization principle.
“Authorised Officer”	means a person authorised by the Participant to act on its behalf and includes the Principal Officer, Authorised User and System Administrator.
“Best Bid (BB)”	The highest quoted price a Participant is willing to pay for a particular security among all those offered by competing Participants.
“Best Offer (BO)”	The lowest quoted price a Participant is willing to sell a particular security among all those offered by competing Participants.
“Beneficial Owner”	Has the same meaning provided for in section 13 of the Money Laundering and Proceeds of Crime Act [ <i>Chapter 9:24</i> ].
“Call Option Contract”	A contract that gives the buyer the right but not the obligation to buy a specific quantity of the underlying security at an agreed price and on a predetermined date.
“Cash Settlement”	Is settlement by an exchange of cash instead of delivery of the physical underlying securities.

<b>Term</b>	<b>Definition</b>
“Clearing”	The presenting and exchanging of information relating to the transfer of securities or funds.
“Clearing House”	Means the Exchange or its wholly owned subsidiary designated and appointed by the Exchange for purposes of clearing contracts on the Exchange in accordance with these Rules.
“Clearing Participant”	Is a Participant on the Exchange responsible for the clearing and settlement of trades.
“Client”	Means any person or entity to which a regulated person provides securities services, and includes a person that acts as an agent for another person in relation to those services.
“Closing Price”	Means the price of a security determined at the closing session and is its last execution price.
“Commercial Paper”	Means a short-term debt instrument issued by an Issuer to raise finance.
“Contract Month”	Means the month in which futures contracts may be satisfied by making or accepting delivery.
“Controlling Shareholder”	A shareholder who, alone or together with one or more associates or other parties with whom the shareholder has an agreement, arrangement or understanding, whether formal or informal, relating to voting rights attaching to securities of an entity, can exercise or cause to be exercised 50 per centum or more of the voting rights at meetings of the entity or can appoint or remove, or cause to be appointed or removed, directors exercising more than 50 per centum of the voting rights at the directors’ meeting of the entity.
“Corporate Action”	Any action taken by a company that may impact the shareholders’ value directly.
“Daily Settlement Price”	Means the reference price determined for margining and daily settlement purposes of such Future Contracts. Means the price of a contract as may be determined by the Clearing House for the purpose of settlement to market in accordance with the Rules of the Clearing House.
“Delivery Date”	Means the Business Day on which the contract is to be settled.
“Delivery Point”	The location where the physical security or commodity underlying the contract will be delivered.
“Depository Receipt”	Has the same meaning provided in section 2 of the Securities and Exchange Act <i>Chapter [24:25]</i> .

<b>Term</b>	<b>Definition</b>
“Directive”	Any instruction issued by the Exchange to a Participant, listed entity or any other person whose interaction with the Exchange is governed by these Rules.
“Exchange Traded Fund (ETF)”	A fund or security that seeks to replicate the performance of a target.
“Exchange”	Refers to the Financial Securities Exchange.
“Fixed Income Security”	Is a debt security as provided in section 2 of the Securities and Exchange Act [ <i>Chapter 24:25</i> ].
“Free float”	The proportion of securities of an issuer held by public security holders.
“Futures Contract”	Means a contract that provides for the acquisition or disposal of a security or commodity that is to be delivered at a future date at a price agreed when the contract is made or determined in accordance with the contract.
“Growth Enterprises Market (GEMs)”	A market segment on the Exchange which admits for listing Micro, Small and Medium Enterprises (MSMEs).
“Guarantee Fund”	A fund setup by the Exchange for the purposes of guaranteeing settlement of derivatives contracts.
“Index Future”	Means a contract that provides to buy or sell an index today to be settled at a future date.
“Index”	It is a measure of the price performance of a basket of securities or commodities.
“Initial Margin”	Means the amount of money determined by the Clearing House on the basis specified by the Exchange and held in respect of the aggregate position of a Clearing Participant or client.
“Initial Public Offer (IPO)”	The process of offering securities in an entity to the public in a new securities issuance.
“Issuer”	An entity that issues a security.
“Indenture”	A legal agreement, contract, or document between two or more parties specifying material details about an issue of a security.
“Listing by Introduction”	Method of bringing securities for listing not involving a new issue of securities or any marketing of existing securities because the spread of shareholders already complies with the conditions for listing.
“Listing Document”	A statement issued by an entity seeking a listing of its securities, providing information to the public with regards to

<b>Term</b>	<b>Definition</b>
	the entity and the securities. This includes a Pre-listing Statement, Offer Document or Circular.
“Long Position”	In relation to a Futures Contract, means an obligation to buy the underlying asset from the other party.
“Maintenance Margin”	Means the minimum amount deposited that an investor must maintain in the Margin Account after the purchase has been made.
“Margin”	Means either an initial margin, special margin, additional margin, variation margin, and any other margin as the context may require.
“Material Information”	<p>Any information that may affect the price of an Issuer’s securities or influence investment decisions and includes, but is not limited to information on: -</p> <ul style="list-style-type: none"> <li>a) a merger, acquisition or joint venture;</li> <li>b) a share split or scrip dividend;</li> <li>c) earnings and dividends of an unusual nature;</li> <li>d) the acquisition or loss of a significant contract;</li> <li>e) a significant new product or discovery;</li> <li>f) a change in control or significant change in management;</li> <li>g) a call of securities for redemption;</li> <li>h) the public or private sale of a significant amount of additional securities;</li> <li>i) the purchase or sale of a significant asset;</li> <li>j) a significant lawsuit;</li> <li>k) a significant labour dispute;</li> <li>l) securities buy back scheme;</li> <li>m) an offer for another Issuer’s securities;</li> <li>n) significant alteration of the constitutive documents of the Issuer;</li> <li>o) significant borrowings; or</li> <li>p) any other peculiar circumstances that may prevail with respect to the Issuer or environment in which the Issuer operates.</li> </ul>
“Margin Account”	Has the same meaning in section 42(1)
“Margin Call”	Means a demand by a Clearing Participant to its client(s) for cash or collateral to meet the client(s) obligations pursuant to trading in futures contracts.
“Mark to market”	Means the daily calculation of gains and losses of outstanding positions as a result of actual changes in the underlying asset or market prices of the underlying asset and market prices of futures contracts.

<b>Term</b>	<b>Definition</b>
“Market Maker”	A Participant who enhances the market liquidity of a particular security by quoting bids and offers in a security at all times.
“Nominated Advisor”	A licensed investment advisor appointed by an Issuer to guide it through the listing of its securities on the Exchange.
“Offer to the Public”	An invitation to the public to subscribe for securities.
“Official List”	A list specifying all securities which have been admitted for listing on the Exchange.
“Opening Price”	The price determined by the auction in the opening session.
“Option Contract”	A contract giving the buyer the right to buy or sell a specific quantity of an underlying security at an agreed price on a predetermined date.
“Order”	A bid for or offer of securities in the secondary market of the Exchange.
“Over the Counter (OTC) Transaction”	A private counter-party contractual transaction done outside the Exchange.
“Participant”	A person or entity entitled, through admission on the Exchange, to use the services and facilities thereof.
“Physical settlement”	Means settlement through the delivery of the physical underlying security or commodity instead of an exchange for cash.
“Position”	Means either a long position or a short position.
“Position Limits”	Means the minimum or maximum buy or sell thresholds of the underlying security or commodity a Clearing Participant or client shall be allowed to trade in as prescribed by the Exchange from time to time.
“Premium”	The price of an option contract.
“Pricing Supplement”	A document that sets out additional terms and conditions applicable to a specific debt security.
“Primary Issuance”	The initial issuance and placement of securities including all the operations related to the primary sale of securities.
“Private Placement”	Is the targeted sale of securities by the Issuer to an investor.
“Proprietary Position”	Means a position registered by the clearing house in the name of a Clearing Participant for the Clearing Participant's own account.
“Public Security Holder”	A holder of a security other than: - <ul style="list-style-type: none"> <li>(a) a director of the issuer or any of its subsidiaries;</li> <li>(b) an associate of a director of the issuer or any of its subsidiaries;</li> </ul>

<b>Term</b>	<b>Definition</b>
	<p>(c) an employee share scheme or pension fund which is established for the benefit of the employees of the Issuer or any of its subsidiaries; or</p> <p>(e) any person who is beneficially interested in 10 per centum or more of the issuer's securities of the relevant class.</p> <p>Notwithstanding paragraph (e) above, a security will be regarded as being held by a public security holder if any person who is interested in 10 <i>per centum</i> or more of securities of the relevant class: -</p> <p>(i) is a fund manager or portfolio manager who manages more than one fund or portfolio, where each fund or portfolio is interested in less than 10 <i>per centum</i> of the relevant securities;</p> <p>(ii) is the registered holder of securities which are the subject of a Depository Receipt programme; or</p> <p>(iii) is a nominee security holder and none of the beneficial security holders which that nominee represents is interested in 10 <i>per centum</i> or more of the securities concerned, unless the beneficial shareholder is a fund or portfolio manager in accordance with paragraph (i).</p>
“Put Option Contract”	A contract in terms of which the buyer obtains the right and not the obligation to sell a specific quantity of the underlying asset at an agreed price on a predetermined date.
“Record Date”	The date on which holdings are ascertained to determine entitlements arising out a corporate action.
“Rights Offer”	An offer to existing holders of securities to subscribe for or purchase further securities in proportion to their holdings, within a fixed time period.
“Scrip Dividend”	New securities which a security holder elects to receive in lieu of a cash dividend where the security holder is given the right to make such an election.
“Secondary Market”	The market for the trading of securities after they are issued.
“Settlement”	The discharge of obligations by the payment of funds or delivery securities.
“Settlement Price”	Means the price at which an underlying asset is to be exchanged at or is the final price used in the determination of profit or loss for cash settled futures contracts.
“Short Position”	In relation to a Futures Contract, means an obligation to sell the underlying asset to the other party.

<b>Term</b>	<b>Definition</b>
“Special Margin”	Means the margin paid as collateral by the Clearing Participant to the Guarantee Fund for the due performance for clearing the Participant’s obligations as set out in the Rules or the margin paid to a Clearing Participant over and above that required by the Clearing House.
“Sponsored Issue”	An issuance of Depository Receipts in which the Issuer of the underlying security has direct involvement in the issuance of the Depository Receipts.
“Strike Price”	The price or yield at which the holder of an option contract has the right to buy or sell the underlying security.
“Underlying Security”	The listed security upon which the option contract derives its value.
“Underwriting”	The commitment to purchase or subscribe for any securities that have not been purchased or subscribed for during an offer of securities to the public by the Issuer.
“Unsponsored Issue”	An issuance of Depository Receipt in which the Issuer of the underlying security has no direct involvement in the issuance of the Depository Receipt.
“Variation Margin”	Means the additional amount of cash required to be deposited into a Margin Account after it falls below the set maintenance margin level as determined by the Clearing House from time to time.

## **PART I**

### **PARTICIPANTS ADMISSION AND BUSINESS CONDUCT**

This Part provides for the general procedures for the admission of Participants.

#### **1. Categories of Participants**

The Exchange may admit the following Participants: -

- (1) Persons licenced in terms of the Securities and Exchange Act [*Chapter 24:25*];
- (2) Persons licenced in terms of the Collective Investment Schemes Act [*Chapter 24:19*];
- (3) Persons licenced in terms of the Banking Act [*Chapter 24:20*]; and
- (4) Any other category of persons that may be prescribed by the Exchange from time to time.

#### **2. Requirements for Admission as a Participant**

For the purposes of admission as a Participant, Applicants shall submit the following: -

- (1) A Participants’ Application Form (Form FSA2) as set out in Schedule 10;
- (2) Copy of the licence issued by the relevant regulatory authority;

- (3) Copy of identity documents for each director and Authorised Officers of the Applicant;
- (4) Proof of payment of applicable fees; and
- (5) In the case of Market Maker: -
  - (a) provide the Exchange with proof of ownership of securities to be used as the market making float; and
  - (b) provide proof of the availability of funds to be used as the float.
- (6) In the case of a Market Maker who is not a securities dealer, proof of the appointment of a securities dealer; and
- (7) In the case of a Market Maker who is not a custodian, proof of the appointment of a custodian.

### **3. Acceptance and Rejection of Application**

- (1) The Exchange shall process a Participant's application and advise the Applicant of the outcome within fourteen (14) days of receipt of the application.
- (2) Upon successful admission as a Participant, the Exchange shall issue a certificate of admission.
- (3) If the Exchange determines that an application is defective in any respect, it shall notify the Applicant of such deficiency, whereupon the Applicant shall take the necessary action to remedy the deficiency.
- (4) Where an Applicant fails to meet the admission requirements, the Exchange may reject the application and advise the Applicant of its decision and reasons for the rejection.
- (5) Where an Applicant resubmits an application, the Exchange shall process the application as if it had been submitted for the first time.
- (6) All application fees shall be non-refundable.
- (7) The Exchange shall publish on its website a list of admitted Participants and relevant information relating to their activities.

### **4. Suspension and Expulsion**

The Exchange may suspend or expel a Participant if the Participant is in breach of any of the provisions of these Rules, provided such Participant is afforded a reasonable opportunity to make representations.

### **5. Readmission of a Participant**

- (1) The Exchange may readmit a Participant where the Participant has in the view of the Exchange fully rectified the breach which formed the basis of the suspension or expulsion.
- (2) In the case of an expulsion, the Applicant shall complete the Application Form (FSA2) and pay a new application fee.

### **6. Voluntary Termination of Participation**

Where a Participant wishes to terminate its participation, it shall deliver a written notice to the Exchange of its intention to terminate participation not less than thirty (30) days prior to the proposed date of termination.

## **7. Continuing obligations of Participants**

- (1) Every Participant shall comply with the applicable provisions of these Rules.
- (2) Every Participant shall notify the Exchange of the following in writing: -
  - (a) any event or circumstance that may affect its standing as a Participant in terms of these Rules;
  - (b) any change in the place of business of the Participant;
  - (c) change in name of the Participant; and
  - (d) any material information.

### *Participant's access to Exchange systems*

## **8. Exchange Systems**

The Exchange shall provide Participants with access to trading, clearing and settlement systems of the Exchange under terms and conditions prescribed by the Exchange.

## **9. Training**

The Exchange may prescribe training for Authorised Users in the operation of the Automated Trading Systems (ATS) and Clearing and Settlement System (CSS) and any other systems of the Exchange.

## **10. Authorised Officers**

- (1) Every Participant shall appoint a Principal Officer, Authorised User and System Administrator.
- (2) A Principal Officer shall: -
  - (a) hold a managerial position at the Participant;
  - (b) be responsible for all transactions of the Participant;
  - (c) approve the Participant's Authorised Users and System Administrators to act on behalf of the Participant;
  - (d) prescribe the rights and access of the Authorised Users to the ATS and CSS systems;
  - (e) be responsible for the completeness and accuracy of all information that is entered onto the systems of the Exchange by the Participant; and
  - (f) ensure that all accounts created and transactions executed on the Exchange's systems are lawful and comply with applicable laws, regulations and these Rules.
- (3) Each Participant shall have, at all times, at least two Authorised Users.
- (4) System Administrators shall maintain Authorised User profiles on the Exchange's systems and shall not have access to transaction entry facilities or management or enquiry functions.
- (5) The Exchange shall have the sole right to approve the creation of profiles for Authorised Officers.

### *General standards of conduct*

## **11. Standards of integrity**

A Participant must, in the conduct of its business, observe high standards of integrity and fair dealing. In particular the Participant shall: -

- (1) not knowingly circulate information which is false or misleading;
- (2) not knowingly manipulate the market or influence any persons for such purpose;
- (3) conduct its activities in a manner that is in line with the objectives of the Securities and Exchange Act [*Chapter 24:25*];
- (4) not participate in any dealings which may bring the market into disrepute; and
- (5) in its dealings act honestly and fairly: -
  - (a) with due skill, care diligence and in the best interests of its clients;
  - (b) avoiding conflict of interests and where conflict may not be avoided, ensure fair treatment to clients by full disclosure to clients, maintaining confidentiality of information obtained from clients or declining to act; and
  - (c) exercising independent professional judgement.

## **12. Disclosure to investors**

Any representations made and information provided by a Participant to a client must: -

- (1) be factually correct;
- (2) be provided in plain and unambiguous language, and not be misleading;
- (3) be adequate and appropriate in the circumstances of the particular service, taking into account the factually established or reasonably assumed level of knowledge of the client;
- (4) disclose full and accurate information about the fees and any other charges that may be levied on the client; and
- (5) where any such fee or charge is not reasonably pre-determinable, adequately describe its basis of calculation.;
- (6) advise of any material changes affecting the client within reasonable time; and
- (7) advise of any restriction or limitation that may affect the access of that client to his or her assets.

## **13. Confidentiality**

A Participant may not disclose any confidential information acquired or obtained from a client about such client, unless the written consent of the client has been obtained beforehand or disclosure of the information is required in terms of the law.

## **14. Trading by employees**

A Participant shall establish and maintain controls and procedures in relation to transactions executed for the direct or indirect benefit of its employees.

## **15. Disclosure of gifts**

- (1) A Participant must take reasonable steps to ensure that it or any person acting on its behalf does not offer, give, solicit or accept any valuable consideration if it is likely to conflict with any duty that the Participant owes to its client.
- (2) A Participant who, in terms of an agreement with a third party, directly or indirectly accepts or may become eligible to accept any valuable consideration in respect of services rendered to a client, must disclose to the client in writing before the rendering of such service: -

- (a) the existence of the agreement;
- (b) the nature, extent, value and frequency of receipt of such valuable consideration where such information is known prior to the rendering of the service; and
- (c) the identity of the other person(s) providing or offering the valuable consideration.

#### **16. Prohibition of anonymous accounts**

A Participant shall not open or operate an anonymous or fictitious account.

#### **17. Waiver of clients' rights**

- (1) No Participant shall waive any right or benefit conferred on a client in terms of these Rules.
- (2) No Participant shall recognise, accept or act on any waiver of these Rules requested by the client.

#### **18. Liability of directors and officers**

Any Participant, its director, manager, or officer shall be liable for any breach, non-compliance, violation or contravention of these Rules.

### *Client Acceptance and Maintenance Procedures*

#### **19. Client Acceptance**

- (1) Every Participant shall ensure that it obtains and maintains sufficient information on each client account in order to identify the ultimate beneficial owner of an account.
- (2) The Participant shall obtain the following information and supporting documents in respect of each client and where it is possible the beneficial owner of an account: -
  - (a) full name;
  - (b) certified copy of a valid identity document for Zimbabwean National;
  - (c) certified copies of Passport for foreign nationals);
  - (d) contact details;
  - (e) banking details and source of funds; and
  - (f) certified copies of proof of residential address which is not more than a month old;
- (3) For clients that are entities, the Participant shall obtain the following information and supporting documents: -
  - (a) name of entity;
  - (b) the legal status of the entity and its constitutive documents;
  - (c) the ownership and control structure of the entity and the ultimate beneficial owners;
  - (d) the identities of the directors, and their proof of residence;
  - (e) the identity of any person purporting to act on behalf of the entity;
  - (f) a resolution by the Board of Directors to invest, and identification of those who have authority to operate the investment account;
  - (g) nature and purpose of business;
  - (h) principal place of entity's business operations; and a
  - (i) contact details;

- (4) Where a client fails to provide sufficient information, the Participant may not undertake a transaction on behalf of the client.
- (5) The Participant shall periodically update clients' information and upon written request, provide the Exchange with the documents and information referred to under this section.

## **20. Client mandates**

- (1) A Participant must have a written agreement with a client which sets out the relevant terms and conditions under which the Participant shall transact on behalf of the client.
- (2) The agreement must set out the essential obligations of the Participant and of the client which may include but are not limited to: -
  - (a) Nature and frequency of reporting; and
  - (b) Trading and Settlement obligations.

## **21. Maintenance of client records**

A Participant shall maintain in printed or electronic format, proper, complete and accurate client and transaction records in a secure environment for a minimum period of ten (10) years.

### *Fees, Charges and Levies*

22. Every Participant shall pay fees, charges and levies as provided for in Eleventh Schedule.

### *Marketing and Advertising*

## **23. Advertising**

- (1) Advertising material of a Participant must: -
  - (a) provide accurate, complete and unambiguous information about services rendered;
  - (b) emphasise the risk of loss and uncertainty of future results;
  - (c) separate facts from opinion;
  - (d) not recommend itself over the services of another Participant;
  - (e) not contain any statement, promise or forecast which is fraudulent, untrue or misleading;
  - (f) if it contains performance data including awards and rankings, include references to the Participant's source and date on which the data was accessed;
  - (g) not contain hypothetical data;
  - (h) contain a warning statement about the risks involved in buying or selling securities;
  - (i) where past performance is referred to, contain a warning that past performances are not necessarily indicative of future performances; and
  - (j) if the investment value of securities mentioned in the advertisement is not guaranteed, should contain a warning that no guarantees are provided.
- (2) No Participant shall publish, broadcast or circulate any comment which may influence the price of any security unless such comment is accompanied by the name of the person or persons who compiled it.
- (3) Where a newsletter, circular or other publication by a Participant carries an expression of opinion on a security and the Participant has an interest in that entity, the existence

of such an interest, without specifying names and amounts shall be disclosed in that newsletter, circular or other publication and if a director of the Participant is a director of the entity, that shall also be disclosed.

#### **24. Corporate Actions**

- (1) Any arrangement between a Participant and a client regarding issues pertaining to corporate actions must be recorded in writing.
- (2) The written arrangement must incorporate the instructions from the client and the terms and conditions which will apply to the following issues pertaining to corporate actions: -
  - (a) whether the client wishes to receive all reports, proxy forms, notices, circulars, listing particulars and any other communications from the Issuer;
  - (b) whether the Participant is entitled and obliged to utilise its discretion in electing particular options in respect of all or certain corporate action events which require such an election to be made;
  - (c) whether the Participant may utilise its discretion in exercising voting rights on behalf of the client;
  - (d) the means of communication between the Participant and the client if the Participant is not granted discretion to act independently. This will apply to the communication of the relevant issues to the client by the Participant and the client's response thereto;
  - (e) the date and time by which the client is required to make an election, if applicable; and
  - (f) the option which the Participant may elect if the client fails to advise the Participant of his or her election before the deadline specified in the Issuer circular, if applicable. This could either be the default for election or the Participant may be entitled to utilise its discretion in electing a particular option.

#### ***Anti-Money Laundering and Combating Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT/CFP) Procedures***

#### **25. AML/CFT/CFP Policy**

- (1) Every Participant shall put in place policies, procedures and processes to comply with AML/CFT/CFP laws applicable to the securities sector. Such policies, procedures and processes shall include but not limited to: -
  - (a) A risk-based approach to AML/CFT/CFP;
  - (b) Know Your Client requirements and client onboarding;
  - (c) Customer Due Diligence;
  - (d) Monitoring of transactions and reporting of suspicious transactions; and
  - (e) Identification of Politically Exposed Persons (PEPs) and other high-risk clients.
- (2) Every Participant shall have policies and procedures that govern the following: -
  - (a) Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures;
  - (b) Procedures for retention of client and transaction records;
  - (c) Procedures for monitoring Politically Exposed Persons and high-risk clients;

- (d) Procedures for reporting suspicious transactions;
- (e) Legal consequences for failure to meet requirements of AML/CFT/CFP laws and guidelines;
- (f) Implementation of guidelines and directives issued by a relevant regulatory agency; and
- (g) Procedures for managing and assessing AML/CFT/CFP risk.

## **26. Know Your Customer (KYC) and Customer Due Diligence (CDD)**

- (1) Every Participant shall undertake KYC and CDD measures where: -
  - (a) a business relationship is established;
  - (b) the participant is carrying out transactions above the threshold that shall be provided for by the Participant from time to time;
  - (c) the transaction is carried out in a single operation or several operations that appear to be linked;
  - (d) there is need for cross-border payments;
  - (e) there are doubts about the veracity or adequacy of previously obtained customer's identification data.
- (2) When undertaking CDD a Participants shall profile clients in relation to: -
  - (a) the identity of beneficial owners, directors and any relevant officers of the client;
  - (b) the purpose and intended nature of the business relationship;
  - (c) the client's source of funds and source of wealth;
  - (d) associations that may exist between the client and other clients of the Participant;
  - (e) the financial status of the client;
  - (f) the client type of business; and
  - (g) the risk rating of the client.

## **27. Simplified Customer Due Diligence**

Where information on the identity of the client and the beneficial owner is publicly available, a Participant may apply simplified CDD and the following must be obtained: -

- (1) In the case of local investors and Zimbabweans in the diaspora: -
  - (a) National Identity Card; and
  - (b) Completed Securities Trading Account Opening Form.
- (2) In the case of Foreigners: -
  - (a) Valid Passport; and
  - (b) Completed Securities Trading Account Opening Form.
- (3) For Companies-local/foreign: -
  - (a) Certified copy of certificate of incorporation;
  - (b) Board Resolution;
  - (c) National Identity Card or Valid passport for signatories; and
  - (d) Completed Securities Trading Account Opening Form.

## **28. Enhanced Due Diligence (EDD)**

- (1) Where high risk clients are concerned, Participants shall apply Enhanced Due Diligence which may include but not limited to enquiries on:

- (a) the level and nature of the client's trading activities over time;
  - (b) the ultimate beneficial owners of the account;
  - (c) publicly available information on the client;
  - (d) the source of funds; and
  - (e) senior management's approval for transactions.
- (2) When undertaking EDD, a Participant shall collect and document more information on the client and its activities.

### *Market Making*

#### **29. Market Maker's Requirements**

- (1) Every Market Maker shall maintain a cash and securities account with its custodian.
- (2) The Exchange may prescribe the Market Maker's securities and cash float on a security-by-security basis from time to time.
- (3) The Market Maker shall provide the Exchange with a report on the balance of his or her cash and securities account on a daily basis.
- (4) In the case of futures contract, a Market Maker shall: -
  - (a) in addition to margin requirements listed under section 47, deposit the prescribed collateral with the Clearing House that shall act as the Central Counter Party for the purpose of guaranteeing settlement of futures contracts; and
  - (b) possess and prove adequate experience of trading in underlying security and or asset of the futures contract in which it intends to act as a Market Maker.

#### **30. Obligations of a Market Maker**

A Market Maker shall at all times maintain a continuous two-sided quote during each trading session.

### *Nominated Advisor*

**31.** A Nominated Advisor shall advise the Issuer on all of the Issuer's responsibilities in a competent and professional manner and must immediately inform the Exchange in writing if the Issuer does not comply with these Rules. The Nominated Advisor must, prior to the listing, confirm in writing that: -

- (1) it has explained to the directors of the Applicant the nature of the Applicant's responsibilities under these Rules;
- (2) all the documents required in terms of these Rules have been submitted;
- (3) it considers the new applicant to be suitable for listing on the Exchange;
- (4) the applicant complies with all conditions and requirements for admission of the Issuer;
- (5) the Listing Document is in compliance with the admission requirements and that: -
  - (a) the information contained in the Listing Document is accurate and complete in all material respects and not false or misleading;
  - (b) there are no other matters, the omission of which would make any statement in the Listing Document false or misleading;

- (c) statements of fact and opinion expressed by the directors in the Listing Document have been arrived at after due and careful consideration on the part of the directors and are founded on bases and assumptions that are fair;
  - (d) the directors of the new applicant have made sufficient enquiries to enable them to give the confirmations set out in the “responsibility statement” contained in the Listing Document; and
  - (e) there are no matters, other than those disclosed in the Listing Document or otherwise in writing to the Exchange, which should have been disclosed for the Exchange to be able to consider the application for listing of the relevant securities.
- (6) In the case of issuers listed on the Growth Enterprise Market the Nominated advisor shall, in addition to the above be responsible for: -
- (a) performing a due diligence on the issuer, finding prospective investors for the issuer, preparing and accompanying the issuer for the road shows and recommending the issuer to investors;
  - (b) ensuring that the issuer submits its periodic financial statements and other information as may be required by the Exchange;
  - (c) monitoring the performance of the investment made into the enterprise; and
  - (d) validating and verification of the information and documents provided by the Issuer upon its application.

#### *Participation in Futures Contracts*

### **32. Requirements to take a position in Futures Contracts**

- (1) No person shall be qualified to be a Clearing Participant unless he/she is licenced by the Securities and Exchange Commission of Zimbabwe and approved as such by the Exchange.
- (2) A person intending to be a Clearing Participant shall submit the following in addition to the requirements set out under section 2 of these Rules: -
  - (a) In a Form prescribed by the Exchange;
  - (b) A Board resolution stating its approved position limits;
  - (c) A Declaration confirming that it: -
    - (i) is not subject to an event of insolvency or an event of default or any circumstances pursuant to which either an insolvency event or an event of default could be declared;
    - (ii) it has a minimum fully paid-up capital amount that shall be prescribed by the Exchange from time to time;
    - (iii) assumes all responsibility and any liability however so arising from its trading of futures contracts on the Exchange.
  - (d) A Letter of Guarantee in the name of the Clearing House from a reputable financial institution for an amount that shall be prescribed by the Exchange from time to time;
  - (e) Proof of payment of the applicable fees; and
  - (f) any other information that may be requested by the Exchange.

### 33. Futures Contracts Training

The Exchange may prescribe training for Participants on the trading and settlement and any other operations concerning futures contracts as it deems necessary and or as a condition to its participation on the futures market of the Exchange.

## PART II

### TRADING AND SETTLEMENT

### 34. Trading Sessions

(1) Trading on the Exchange shall be conducted during the sessions set out in the Table A below: -

Table A.

Trading Sessions	
(a) Pre-Open [0800 - 0900Hrs]	(i) Volume Order imbalance shall be displayed in the Pre-Order Book during pre-open.
	(ii) The price input for an Order shall be based on the closing price in the previous trading session of the security and shall be within its price spread.
(b) Opening Auction[0900Hrs]	(i) The opening price of each security shall be calculated by the ATS during the opening auction.
	(ii) The opening price of each security shall be within the daily allowed price movement limits as prescribed by the Exchange from the closing price of the previous trading session.
	(iii) The opening price of a security shall be the price at which the greatest number of securities is matched.
	(iv) Valid orders from the previous day's trading session shall participate in the auction, preserving their time priority.
	(v) Where there are no trades in a security during the opening auction, the opening price for continuous trading shall be the closing price of the security in the previous trading session.
	(vi) All orders that are not matched during the opening auction shall be automatically transferred to continuous trading and registered in the Order Book in priority of first price and then time.

(c) Trading Session [0900Hrs-1600 Hrs]	Live trading session.
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- (2) The Exchange shall be open for trading on business days in Zimbabwe.
- (3) For the purpose of trading on the Exchange, the time that shall apply is the time shown on the ATS.
- (4) During trading hours, securities dealers shall enter orders into a central Order Book using channels approved by the Exchange.

### **35. Official price list and other market data**

- (1) The Exchange shall publish information on the prices, traded volumes, indices and any other market data.
- (2) No persons shall be allowed to publish information on prices, trading volumes, indices or other market data without obtaining prior approval from the Exchange.

### **36. The ATS trade matching mechanisms**

All orders shall be ranked in the Order Book by reference to price and time as follows: -

- (1) priority shall be given to the best bid and best offer;
- (2) when buy or sell orders are entered at the same buy or sell price, priority shall be given to the earliest buy or sell Order on a first-in-first-out basis; and
- (3) where a partial execution of an Order occurs, the remaining volume will be registered in the Order book preserving its original time stamp.

### **37. Types of Orders**

- (1) Immediate or cancel: -
  - (a) An Order qualified as immediate or cancel shall be executed immediately upon entry if there is a matching order in the system, otherwise it shall be immediately cancelled.
  - (b) Where an Order qualified as immediate or cancel is partly executed, the remainder shall be immediately cancelled.
  - (c) Orders qualified as immediate or cancel shall not be entered during the pre-open session.
- (2) Good Till Cancelled: -
  - (a) A GTC Order shall remain in the order book until cancelled by the securities dealer responsible for its entry.
  - (b) Where the GTC Order is not matched or cancelled after thirty (30) days, it shall be automatically cancelled from the system.
- (3) Good Till Day Order, that requires the securities dealer to specify the date on which the Order shall be automatically cancelled from the system if it remains unmatched.
- (4) Day Order, which shall remain valid until the close of the trading day on which it was entered, after which it shall be automatically cancelled from the system.
- (5) Limit Order, which is an order specifying the price and volume.

- (6) Market Order, which has no price limit and may be executed either in full or in part against eligible Orders, at the price of a new Order entered into the central Order Book or at the last trading price.

### *Trading Procedure*

#### **38. Buying and selling procedure**

- (1) Every investor shall open and maintain a securities trading account which shall be identified by a unique client identification number generated by the system.
- (2) An investor shall buy or sell his or her securities by placing a buy or sale Order with his or her securities dealer.
- (3) Upon receipt of the investor's buy or sale Order and having confirmed the availability of funds or securities, the securities dealer shall without delay enter the Order into the central Order book of the ATS;
- (4) The securities dealer shall send a contract note to the investor within 24 hours of a matched deal. The contract note shall provide details of the trade, including but not limited to: -
  - (a) price;
  - (b) volume traded;
  - (c) consideration;
  - (d) statutory fees;
  - (e) trading and settlement fees; and
  - (f) brokerage fees.
- (5) Every matched trade shall be affirmed by a custodian.

#### **39. Trading of security on 'cum' and 'ex' basis**

- (1) Following the declaration of a dividend or other entitlements, the security shall be traded and quoted on a 'cum-div' basis up to three (3) business days before the record date. Buyers of securities who transacted on a 'cum-div' basis shall have rights to the dividends or other entitlements declared by the company; thereafter, the security will be traded and quoted 'ex-div'.
- (2) Buyers of securities who transacted on an 'ex-div' basis shall have no rights to the dividends or other entitlements declared by entity.

#### **40. Amendments of trade information**

A trade may be amended before settlement, with the approval of the Exchange in the following circumstances when: -

- (1) made in error;
- (2) the parties to the trade have consented in writing to the amendment; and
- (3) there is no prejudice to the interests of other investors.

### *Settlement*

#### **41. Settlement Processes**

- (1) The Exchange shall appoint a Settlement Bank who shall operate the settlement accounts for custodians and securities dealers.

- (2) Every custodian and securities dealer shall operate a settlement account with the Settlement Bank.
- (3) Every custodian shall maintain a securities account and cash account for its clients.
- (4) Every Custodian and Securities Dealer shall strictly use the Settlement Accounts for the processing of transactions undertaken on the Exchange platform only.
- (5) Every Custodian and Securities Dealer shall advise his or her clients to deposit funds into the respective Settlement Accounts for funding of purchase orders on the Exchange as follows: -
  - (a) Individual investors shall be required to pre-fund their trades;
  - (b) Juristic persons shall be required to fund the custodian's Settlement Account at the Settlement Bank within 72 hours of a trade;
  - (c) Deposits into the Settlement Account must quote the investor's Securities Account Number and name;
  - (d) All securities traded on the Exchange shall be settled through registered Participants and infrastructure provided by the Exchange for that purpose; and
  - (e) All trades executed on the Exchange shall be done on a delivery versus payment basis.

***Additional Provisions for Clearing and Settlement of Option Contracts***

**42. Clearing and Settlement**

- (1) The Exchange shall have authority to facilitate novation of derivative contracts.
- (2) Settlement shall be undertaken by the custodian upon receipt of a trade execution message from the Exchange, that will trigger the release of funds to the seller.
- (3) Delivery shall be undertaken by the custodian upon receipt of a trade execution message from the Exchange, that will trigger release of the security to the buyer.

**43. Contract expiration**

- (1) Upon expiry of a contract, if the option contract is exercised, the writer shall pay the holder of the contract the difference between the strike price and the spot price.
- (2) If a holder of an option contract that is in a profitable position does not provide instructions to the contrary, the Exchange shall exercise the option for the benefit of the holder.
- (3) The Exchange shall notify the Clearing Participant to clear the exercise requests and release funds held for settlement.

**44. Exercise of an option**

- (1) Where an option is exercised, the following shall apply: -
  - (a) The securities dealer shall, on behalf of the investor, submit a request to exercise the option within the time prescribed by the Exchange on the expiry date; and
  - (b) The respective custodian shall confirm the transaction for settlement.
- (2) Where an option is not exercised the following shall apply: -
  - (a) The securities dealer shall, on behalf of the investor, advise the Exchange of the investor's intention not to exercise the option contract;

- (b) If the option contract is in a profitable position to the holder, the contract shall be exercised for the benefit of the contract holder;
- (c) If the option contract is not in a profitable position to the holder, the contract shall expire unexercised.
- (d) The Exchange shall instruct the custodian holding the collateral to release the collateral back to the writer of the contract.

#### **45. Default**

- (1) A contract writer who, upon expiry of the contract, fails to pay the amount due to the contract holder shall be in default.
- (2) In the event of default, the Exchange shall liquidate the collateral of the contract writer in terms of the contract.
- (3) Upon default, the Exchange shall direct the responsible Participant to liquidate the collateral held and apply the proceeds thereof to all outstanding balances that the contract writer owes.
- (4) In the event of default, the contract writer shall be liable for all transaction costs involved and any applicable interest and charges.

#### *Additional Provisions for Trading of Futures Contracts*

In this Part -

“Central Counter Party” means The Clearing House.

“Close Out” means the cancellation of a position in one direction with an equal and opposite direction, that is to say, a long position in a contract is cancelled by a short position in a long position and vice versa.

#### *Futures Contracts*

#### **46. Contract Formation and Standardisation**

- (1) Futures Contracts shall be in standard form and shall contain the information specified in Ninth Schedule and any other information as the Exchange may reasonably require.
- (2) The applicable terms and conditions to all futures contracts shall be in a standard form made by the Exchange as prescribed in Ninth Schedule.
- (3) The Exchange shall publish all available standardized contracts during the months specified in the Ninth Schedule or at any other time during a financial year when in the opinion of the Exchange, the demands of the market exceed the supply of futures contracts.
- (4) The Exchange may determine from time to time the operational parameters regarding futures contracts traded on the Exchange. Such operational parameters may include: -
  - (a) functional details of the ATS, including the system design, user infrastructure and system operations;
  - (b) procedure and norm of trading;
  - (c) limits on trading and open positions, mark to market losses, exposure and spread between bid and offer rates’

- (d) units of trading, minimum and maximum quantity of Futures Contracts or order which may be offered to be bought or sold or the limits on price fluctuations permitted in a day or period; and
- (e) Clearing Participants and their clients shall adhere strictly to all set parameters; however, parameters can differ for underlying assets securities and for various distribution centers.

#### **47. Margins and Margin Requirements**

- (1) All buyers and sellers shall open a Margin Account and deposit one or more of the following amounts as determined by the Clearing House: -
  - (a) initial margin;
  - (b) special margin;
  - (c) maintenance margin;
  - (d) variation margin; and
  - (e) any other margins, as prescribed through the methodology adopted by the Clearing House.
- (2) Every Clearing Participant shall pay an initial margin amount to the Clearing House against the aggregate open positions of a client cleared by the Clearing Participant or for positions opened on its account.
- (3) Margin accounts shall be marked to market daily by the Clearing House and further margin(s) shall be collected as and when necessary to maintain the acceptable margin level(s).
- (4) Clearing Participants of the Clearing House shall post and accept margin deposits only in such form as may be permitted by the Clearing House.
- (5) The Margin Account of clients shall be utilized only for settling the dues to the Clearing Participant or the Clearing House upon marking to market or for fulfilling the obligations resulting from their open positions.
- (6) A Clearing Participant may close out an open position of a client when a margin call or any other payment due is not complied with by the client within the time period specified by the Clearing House.

#### **48. Marking -to-Market**

- (1) The Clearing House shall on each business day or such time as it may determine on a particular day, carry out daily calculations of gains and losses of outstanding positions as a result of actual changes in the underlying asset or market prices of the underlying asset and market prices of futures contracts.
- (2) All positions in each futures contract of all Clearing Participants and their clients shall be marked to market on such basis determined by the Clearing House.
- (3) All mark to market gains shall be credited to the Margin Account while losses shall be debited to the Margin Account.
- (4) The Clearing House shall determine a maintenance margin level from time to time, which shall trigger a margin call for any variation margin(s) whenever the Margin Account balance is below the maintenance margin level set by the Clearing House. Every transaction, after a mark to market settlement, shall be included in the succeeding marked-to-market settlement till the expiration of the futures contract.

#### **49. Trust Accounts**

Every Clearing Participant shall maintain a separate trust account for each client with a Settlement Bank of the Exchange.

#### **50. Special Margin**

- (1) The Clearing House may specify such special margins as may be considered necessary.
- (2) The Clearing Participant shall deposit the required special margin and submit proof of such payment to the Clearing House within 24 hours of receipt of formal request by the Clearing House.
- (3) The Clearing House may from time to time, impose upon any particular Clearing Participant, special or other margin requirements.
- (4) Clearing Participants shall maintain such banking arrangements with the designated Settlement Bank(s) as specified by the Exchange.
- (5) Each Clearing Participant shall deposit initial, variation, or any special margin or deposits with the Clearing House through the designated Settlement Bank(s), as directed by the Exchange, within the specified time and in the specified manner.

#### **51. Variation Margin**

- (1) The Clearing Participant shall deposit the variation margin in cash, securities or other acceptable assets as prescribed by the Clearing House from time to time, to fulfil the margin requirements in respect of open positions.
- (2) The Clearing House may close out the cleared open positions of a Clearing Participant or his or client, or issue a penalty the Exchange deems fit in accordance to Offences and Penalties Schedule, when the call for variation margin or any other payment due is not complied with.

#### **52. Position Limits**

- (1) The Clearing House may in consultation with the Exchange, limit the aggregate exposure arising from the proprietary positions of a Clearing Participant, the positions of the clients of the Clearing Participant, in relation to the net financial worth of the Clearing Participant and his or her guarantee referred to section 32(2) in a manner described by the Exchange.
- (2) Clearing House shall ensure that the Clearing Participant shall comply with the approved the position limits.
- (3) In accordance with their powers, the Exchange may:
  - (a) request information from a Clearing Participant or a client of the Clearing Participant, the size or purpose of a position or exposure under a specific futures contract;
  - (b) require the Clearing Participant or Client to reduce the size of, or eliminate, its position or exposure under that contract; and/or
  - (c) limit the ability of a Clearing Participant or Client to enter into commodity Futures Contract, and any Clearing Participant shall comply with any such requests, requirements, or limitations.

- (d) To the extent that a Clearing Participant is informed of any exercise of position management powers by the Exchange in relation to its Client, it shall ensure that its Client complies with any such requests, requirements, or limitations.

### *Futures Contract Trading Procedure*

#### **53. Buying and selling procedure**

- (7) A Securities Dealer shall open and maintain a trading account with the Clearing House.
- (8) When the transaction is accepted by the Exchange, the Clearing House becomes the Central Counter Party (CCP) to the Clearing Participant.
- (9) The Clearing House shall assume the position of the seller to the buyer and the position of the buyer to the seller.
- (10) Clearing House shall have all the rights and obligations of the Clearing Participant who was or was deemed to be a party to the transaction and shall be subject to all the obligations of the position taken up.
- (11) Every Clearing Participant who has or is considered to have any rights and obligations shall be discharged from all the rights and obligations against counterparties to the transaction but not the Clearing House.
- (12) On receipt of an order, the Clearing Participant shall be responsible for ensuring the compliance with the standard eligibility criteria for futures contracts as prescribed in Ninth Schedule or any other information or documents as the Clearing House may reasonably require.
- (13) Where the Clearing Participant is satisfied that the information received is in compliance with the standard eligibility criteria under Schedule... or any other information or documents as the Clearing House may reasonably require the Clearing Participant shall accept the trade.

#### **54. Closing out a Position**

- (1) A holder of a futures contract may decide to close out a position by taking an equal and opposite position during the tenure of the contract.
- (2) Positions may be closed out before the expiration date and or time determined by the Exchange in the Contract month.
- (3) Where a futures contract reaches its expiry date, all open positions shall be closed out by the Clearing House by delivering its obligations to either party of the contract as the CCP.

#### **55. Trading Limits**

- (1) The Clearing House shall set out the aggregate exposure limits in respect to exposures arising from the proprietary positions of dealers and the positions of their clients in a manner determined by the Exchange from time to time.
- (2) The Exchange may stipulate a limit to the number of futures contracts that may constitute a trade by a particular securities dealer at any one time.

### *Additional Provisions for Clearing and Settlement of Futures*

#### **56. Clearing House**

The Clearing House shall assume the risk of all trades by acting as the selling party to a matched buyer and the buying party to a matched seller or their Clearing Participant as appropriate and thereby ensuring the performance of open futures contracts.

### **57. Clearing and Settlement**

- (1) On receipt of an order, the Clearing House shall be responsible to ensure the compliance with the standard eligibility criteria for futures contracts as prescribed in Ninth Schedule.
- (2) Where the Clearing House is satisfied that the information listed in subsection (1) of this section, matches the information provided by the Exchange the trade shall be cleared for settlement.
- (3) Every transaction in futures contracts permitted on the Exchange shall be subject to mark to market and settlement through the Clearing House, at intervals specified by the Exchange.
- (4) The Exchange shall have the right to effect marking to market and settlements through the Clearing House during the course of a trading session.
- (5) Clearing Participant shall ensure settlement of mark to market differences on outstanding transactions through the Clearing House.
- (6) Every cleared futures contract may settle through: -
  - (a) offsetting;
  - (b) delivery of the underlying asset;
  - (c) cash; or
  - (d) any other settlement method the Exchange may accept from time to time.
- (7) Where the currency of the futures contract is not the functional currency of the relevant underlying, settlement shall be made by reference to the Settlement Price translated into the currency of the futures contract at the prevailing official exchange rate as determined by the laws related to Exchange Control.

### **58. Delivery of underlying asset**

The Exchange may permit the physical or electronic delivery of the underlying asset(s) to a Futures Contract as may be determined by the Exchange from time to time.

### **59. Delayed Delivery**

- (1) If a Participant pays funds on the settlement date but the funds are received by the Clearing House after the cut-off time notified by the Exchange or the Clearing House on the settlement date, and the securities dealer makes due representations to the Exchange or the Clearing House that the delay was due to reasons beyond its control, it may be considered, at the discretion of the Exchange or the Clearing House, as a delayed payment. However, the applicable penalties as detailed in the Offences and Penalties Schedule of these Rules shall be levied as notified by the Clearing House.
- (2) If the securities dealer fails to pay the funds on the settlement date, the same shall constitute an Event of Default by that securities dealer and the Exchange, in its absolute discretion, shall be entitled then or at any time thereafter whilst such event is, in the opinion of the Exchange, continuing unremedied, to take any one or more of the actions such as but not limited to suspension or expulsion as may be applicable.

### *Futures Contract Default*

#### **60. Declaration of Default and Consequences of Default**

A Clearing Participant may be declared as being in default by the Exchange if the Clearing Participant: -

- (1) is unable to fulfil its obligations;
- (2) admits or discloses its inability to fulfil or discharge its duties, obligations and liabilities;
- (3) fails or is unable to pay within the specified time the damages and the money differences due on a closing-out affected against it under these Rules;
- (4) fails to pay any sum due to the Exchange or to submit or deliver to the Exchange on the due date, delivery and receipt orders, statement of differences and commodities, balance sheet and such other clearing forms and other statements as may be required under these Rules;
- (5) fails to pay or deliver to the Exchange all monies within such time as the Exchange may specify;
- (6) fails to abide by the arbitration proceedings as laid down under these Rules;
- (7) has failed to pay any margins, deposits, fines and fees or any other applicable dues to the Exchange or any other Clearing House as the case may be;
- (8) has failed to effect delivery as specified under these Rules; and/or
- (9) any other instance as the Exchange deems appropriate.

#### **61. Default by a Participant and Client**

A Participant or client shall be declared to be in default if the Participant or client: -

- (1) Fails to fulfil any of its obligations in terms of a trade or position of a futures contract;  
or
- (2) Where the Exchange on reasonable grounds considers the Participant or client has defaulted provided the Exchange affords the Participant or client a reasonable opportunity to make representations.

#### **62. Consequences of default by a Client**

Without limiting or detracting from any other remedies and rights which a securities dealer and/or the Clearing Participant may have against a client, in the event of default by a client: -

- (1) the client shall, save as provided in this Rule, adjustment of the approved trading limits of the client or may be suspended or expelled from trading on the futures market or any other market on the Exchange as it deems necessary to protect the integrity of the Exchange and its market(s).
- (2) the securities dealer shall close out the positions of the client by either (i) trading to transfer those positions to himself and for his own account at a price approved by Exchange; or (ii) auctioning the positions of the client in the market in line with any directive(s) issued by the Exchange and/ or the clearing house regarding auctions; or (iii) selling off the positions of the client in the market within two business days or such other period as may be determined by the Exchange from the date of default;
- (3) any amount payable by the securities dealer to the client as a result of such close out or arising from any guarantee, cession, pledge or other security or from any other cause shall be set off against any amount payable by the client; and

- (4) any shortfall remaining after the application of these Rules shall be recovered from any other amounts payable to the client, and any balance paid to the client.

### **63. Consequences of default by a Participant**

Without limiting or detracting from any other remedies and rights which an Exchange or the Clearing House may have against a Participant, in the event of default by a Participant:

- 
- (1) the Exchange shall issue a Declaration of Default to the Participant setting out the Event of Default;
- (2) the securities shall, save as provided in this section, may be subject to a fine as per the Offences and Penalties Schedule, an adjustment of the limits approved by the Exchange or where necessary may be suspended or expelled from the Exchange;
- (3) the Clearing House shall close out the proprietary positions of the Participant by either (i) trading to transfer those positions to himself and for his own account at a price approved by the Exchange or (ii) auctioning the positions of the client in the market in line with any directive(s) issued by the Exchange and/ or the clearing house regarding auctions; or (iii) selling off the positions of the client in the market within two business days or such other period as may be determined by the Exchange from the date of default;
- (4) any amount payable to the Participant as a result of such close out or arising from any guarantee, cession, pledge or other security or from any other cause shall be set off against any amount payable by the Participant;
- (5) any shortfall remaining after the application of these Rules shall be recovered from any other amounts payable to the Participant, and any balance paid to the Participant;
- (6) the Clearing House shall assume the obligations of the Participant that accrued on the date of default or on the previous business day;
- (7) the Clearing House shall on request provide the Exchange with the registration and contact details of the clients of a defaulting Participant as supplied to the Clearing House; and
- (8) on the default of a Participant, the Clearing House shall contact the clients of such defaulting Participant immediately, to inform them of the default and to make arrangements for the transfer of existing client positions to another Participant;

### **64. Obligations of CCP in event of Default**

Where a Participant or client defaults, the CCP shall remedy the default in the following manner: -

- (1) Make use of the defaulting Clearing Participant's or client's monies deposited with the Exchange or Clearing House.
- (2) Where the monies referred to in (1) are insufficient, make use of funds realized by using cash equivalent deposited by such Participant or client as collateral to the Exchange.
- (3) Where the monies referred to in (1) or (2) are insufficient, make use of proceeds from closing out of open positions of the defaulting Participant or client
- (4) Where the monies referred to in (1), (2) or (3) are insufficient, make use of the amount received under any insurance policy obtained, where applicable/available, to satisfy shortfall in meeting the settlement obligation on account of default by a Participant or client, subject to its availability.

- (5) Where the monies referred to in (1), (2), (3) or (4) are insufficient, make use of the amount utilized from the Guarantee Fund provided that utilization of the fund shall only be limited to the settlement of futures contract trades.

***Off market transactions***

- 65.** Off market transactions are prohibited, except with the approval of the Exchange and Commission, in the following circumstances: -
- (1) Deceased estate transfers of securities;
  - (2) Transfer of securities between Custodians and between Custodians and their clients where there is no change in beneficial ownership;
  - (3) Allocation and allotment of securities pursuant to an employee share option or ownership schemes.

***Limitation of Liability***

- 66.** No liability shall attach to the Exchange or its employees in respect of a loss or damage sustained by any person as a result of the bona fide exercise or performance of the functions of the Exchange provided that this section shall not be construed so as to prevent any person from recovering damages or compensation for loss or damage sustained by him or her which was caused by negligence.

***Transaction Records***

- 67.** Every securities dealer shall maintain accurate records of the date and time of receipt of each client Order as follows: -
- (a) Received Orders - all orders received by the trading system.;
  - (b) Pending Orders - all valid orders pending matching;
  - (c) Matched Orders - all orders that have been matched;
  - (d) Pre-settlement reports for all matched orders;
  - (e) Matched Trades Pending Settlement;
  - (f) Settled Trades;
  - (g) Failed Settlements;
  - (h) Settlement Reports; and
  - (i) Contract Notes.

***Halt of trades***

- 68.** The Exchange may halt trading of a security during a particular session in the following circumstances: -
- (1) Rapid price movement;
  - (2) Unusual volumes;
  - (3) When material information about the entity is about to be announced;
  - (4) Sudden regulatory developments that may affect the entity or security; and
  - (5) Any other circumstances as may be determined by the Exchange from time to time.

**PART III**  
**ISSUER ADMISSION**

***Introduction and General Provisions***

This part governs the admission, suspension and removal of Issuers and securities on the official list of the Exchange.

***Methods of bringing securities for listing***

**69. New Applicants**

New applicants may bring securities for listing in the following ways: -

- (1) Initial Public Offer (IPO);
- (2) Listing by Introduction; or
- (3) Private Placement.

**70. New and existing Applicants**

(1) New or existing applicants may list by: -

- (a) an offer for sale;
- (b) an offer for subscription;
- (c) a rights issue;
- (d) a conversion of securities of one class into securities of another class; or
- (e) an acquisition.

(2) The Exchange may approve, either generally or specifically, any other method by which applicants with securities already listed may bring securities for listing.

***General requirements for listing***

**71. Every Applicant for listing shall: -**

(1) submit a completed Application Form (Form FSA1), in duplicate, signed by the secretary, director and the Nominated Advisor of the Issuer providing the following: -

- (a) full legal name of the applicant, and any trading names as may be applicable;
- (b) the address of the registered office in Zimbabwe;
- (c) the details and qualifications of the applicant's Board and Management;
- (d) description, history and outlook of the Applicant's business;
- (e) the Nominated Advisor's Application Letter on behalf of the Applicant;
- (f) the amount of the capital issued and to be issued in conjunction with the application for each class of securities;
- (g) the number of securities in each class indicating clearly in respect of which securities listing is applied for;
- (h) the authorised share capital and number of securities in each class of securities of the Issuer;
- (i) the indication of the market segment of the official list in which listing is applied for;
- (j) the abbreviated name of the Issuer; and

- (k) the full name and physical address of the Nominated Advisor, Legal Advisors, Auditors, Transfer Secretary, Underwriters (where applicable) and all other parties involved in the Issuer's admission onto the Exchange.
- (2) submit audited annual financial statements for the previous three (3) years. Where the Applicant has not been operation, the Exchange may accept a shorter period;
- (3) provide reviewed half year financial statements where the application is made more than 8 months after the end of the financial year to which the audited financial statements relate;
- (4) provide the following: -
  - (a) Board resolution authorising the Applicant to list;
  - (b) Certified copies of incorporation documents;
  - (c) Certified copies of any applicable licences;
  - (d) Non-refundable application fee; and
  - (e) An undertaking to pay annual listing fees and any other fees as may be prescribed by the Exchange.
- (5) publish a notice to the public outlining the outcome of the corporate action to which the securities being listed relate;
- (6) in the case of issues for cash, disclose the purpose of the issue and intended application of its proceeds;
- (7) meet all applicable regulatory requirements and any other requirements that may be prescribed by the Exchange.

### *Specific requirements for listing*

#### **72. Initial Public Offers**

- (1) The Issuer must submit for approval an Offer Document in the format prescribed in Schedule 2.
- (2) Upon approval of the Offer Document, the Issuer shall publish the Offer Document on the Exchange's website.

#### **73. Listing by Introductions**

The Issuer must submit the following for approval: -

- (1) Prelisting Statement in the format prescribed in Schedule 2.
- (2) Current share register of the Issuer complying with the free float eligibility criteria for the security.

#### **74. Distributions of dividends in specie and bonus shares**

- (1) The Issuer must submit for approval a Circular detailing the nature of the distribution.
- (2) Related party distributions must be at arm's length and the following information must be disclosed: -
  - (a) the nature of the relationship; and
  - (b) extent of interest of the related parties.

#### **75. Private Placements**

With respect to Private Placements, the Applicant shall: -

- (1) submit for approval an Offer Document as prescribed in Schedule 2;
- (2) obtain shareholder approval; and
- (3) provide the Exchange with the list of the targeted investors.

#### **76. Acquisitions**

The Applicant shall: -

- (a) submit for approval an Offer Document as prescribed in Schedule;
- (b) be responsible for ensuring that the consideration paid for the asset is reasonable; and
- (c) where the securities are issued at a discount disclose the discount in the Offer Document.

#### **77. Employee Share Options**

- (1) The Applicant shall submit the constitutive document of the employee share scheme.
- (2) The Applicant shall notify the Exchange if the employee share option scheme is cancelled prior to its expiry date.

#### **78. Rights Offers**

- (1) Rights must be transferable.
- (2) The Applicant shall publish a Circular detailing key dates and terms of the offer.
- (3) Rights will be listed on the Exchange on the second trading day preceding the record date and on the same date, the securities of the Issuer shall commence trading on an ex-rights basis.
- (4) Once the rights have been listed on the Exchange, the essential terms of the rights offer, such as the exercise price or the expiry date may not be amended.
- (5) The Applicant shall publish a notice confirming the closing of the offer and stating the number of securities issued including those issued pursuant to any underwriting or similar arrangement seven (7) days after the expiry of the rights offer.

#### **79. Approval of listing**

- (1) The Exchange shall process the application for listing, within twenty-one (21) days of receipt of the application.
- (2) Upon successful admission for listing of the securities, the Exchange shall issue a certificate of registration.
- (3) If the Exchange determines that an application is defective in any respect, it shall notify the Applicant of such deficiency, whereupon the Applicant shall take the necessary action to remedy the deficiency.
- (4) The Exchange may request the applicant, its Nominated Advisor and or any other persons relevant to the listing, jointly or separately, to attend one or more interviews with the Exchange.
- (5) Where an Applicant fails to meet the admission requirements, the Exchange may reject the application and advise the Applicant of its decision and reasons for the rejection.
- (6) Where an Applicant resubmits an application, the Exchange shall process the application as if it has been submitted for the first time.
- (7) The Exchange shall publish the Official List on its website.

## **80. Admission of securities listed on another exchange**

The Exchange may admit securities that are listed on another registered securities exchange whether local or foreign and where an Issuer intends to list on another securities exchange, it shall advise the Exchange of its intention before initiating the process.

### *Ongoing Issuer obligations*

## **81. Disclosure Requirements**

- (1) An Issuer shall: -
  - (a) disclose all material information;
  - (b) publish audited annual financial statements within 3 months of the Issuer's financial year-end and interim financial statements within 2 months of the half year end; and
  - (c) submit a copy of the notice of its AGM or EGM to the Exchange for approval at least three (3) business days before its publication.
- (2) The Issuer shall ensure that any statement, document or other information published is not misleading, false or does not omit any material facts.
- (3) Where an event of default occurs, the Issuer shall notify the Exchange in writing within 24 hours of such an occurrence, providing full details of the event including remedial actions and shall communicate the same to investors. For the purposes of this sub-section, events of default include: -
  - (a) failure to distribute declared dividends in accordance to the published timetable;
  - (b) non-payment of interest or failure to make interest payments on Fixed-Income Securities in accordance with the published timetable; or
  - (c) removal or the resignation of an underwriter.
- (4) Where the Exchange becomes aware of any event of default, the Exchange may carry out investigations into such event of default and shall direct the defaulting party to implement any corrective action it deems appropriate.
- (5) As soon as is reasonably practicable, the Issuer shall notify the Exchange of: -
  - (a) any change in the Issuer's professional advisors;
  - (b) any change in the board composition or management of the Issuer;
  - (c) any change in the Issuer's name and address;
  - (d) any changes in the terms and conditions applying to a corporate action carried by the Issuer;
  - (e) any Board resolution authorising the Issuer to issue additional securities in the class already issued and causing the authorised capital to exceed the initially disclosed quantum;
  - (f) any changes to the terms and conditions of securities in issue; or
  - (g) any intention to alter the authorised or listed securities, as may be permitted by the Issuer's constitutive documents or by resolution of shareholders providing comprehensive details of such intention including the date of effect, the amount to be so reduced and the balance upon alteration.
- (6) Where an Issuer is contemplating actions that may influence the price of its securities or where the Issuer acquires knowledge of the leakage of any material price sensitive information, it must publish a cautionary announcement advising investors to exercise

caution when dealing in the securities until full details regarding the matter are announced.

- (7) Issuers contemplating a significant transaction shall publish a detailed notice of the proposed transaction or corporate action and fix in advance the record date for determining investors' entitlements.

## **82. Suspension and delisting**

- (1) The Exchange may suspend or delist an Issuer for any failure to comply with the provisions of these Rules.
- (2) The Exchange shall provide the Issuer with a reasonable opportunity to make representations why the suspension or delisting should not be effected.
- (3) Where a listed security is suspended, unless the Exchange indicates otherwise, the Issuer shall: -
  - (a) continue to comply with all the listing requirements and ongoing obligations applicable to it;
  - (b) submit reports in the manner and frequency prescribed by the Exchange on any progress made to remedy the breach; and
  - (c) advise its investors, on a quarterly basis, of the state of the Issuer's business and the progress of any action to have the listing reinstated, including the date on or around which the Issuer expects the suspension to be lifted.
- (4) An Issuer that intends to voluntarily delist from the Exchange shall: -
  - (a) issue a circular to shareholders providing reasons for the proposed delisting at least twenty-one (21) days prior to the general meeting of the shareholders, where the delisting will be tabled; and
  - (b) obtain prior shareholder approval at a meeting of members. The resolution to approve the delisting must be passed by 75% of the Issuer's shareholders present or represented by proxy excluding any controlling shareholder, its associates and any party acting in concert with the controlling shareholder.
- (5) An Issuer shall not apply for voluntary delisting for a period of three (3) years from the date of admission or from the date of its raising additional capital.

## **83. Trading by employees and directors**

The Issuer's directors and employees shall not trade while in possession of inside information and shall notify the Exchange of any dealings in the Issuer's securities by its directors or employees.

## **84. Cautionary Statement**

- (1) With prior approval of the Exchange, the Issuer shall issue a cautionary announcement as soon as possible, that contains details of a transaction whether actual or anticipated, deliberations, negotiations and a warning to shareholders that they should exercise caution in dealing with the securities.
- (2) A Cautionary Statement may be issued under the following circumstances: -
  - (a) possible merger, acquisition or joint venture;
  - (b) expected earnings and dividends of an unusual nature;

- (c) the possibility of an acquisition or loss of a significant contract;
- (d) significant new product or discovery;
- (e) an anticipated change in control or significant change in management;
- (f) a call of securities for redemption;
- (g) intended sale of a significant amount of additional securities;
- (h) an anticipated purchase or sale of a significant asset;
- (i) possibility of a significant labour dispute;
- (j) an anticipated significant lawsuit;
- (k) anticipated significant borrowings; or
- (l) any other peculiar circumstances that may prevail with respect to the Issuer's operating environment.

**85. Directives**

The Exchange shall have the power to issue any directives, circulars, or instructions to Participants and Issuers pertaining to any subject matter provided for in terms of these Rules.

**PART IV**  
**SCHEDULES**

FIRST SCHEDULE (Section 86)

STANDARD APPLICATION FORM FOR LISTING ON THE ATP

APPLICATION FORM FSA1

Admission to the Financial Securities Exchange

*(This form should be completed, and submitted in duplicate)*

Application  
Number:

[For Official Use Only]

Date:

PART A: PARTICULARS OF THE ISSUER						
1. Registered Name of Entity:						
2. Trading Name (where applicable):						
3. Place and date of incorporation:						
4. Issuer's principal place of business:						
PART B: PARTICULARS OF DIRECTORS						
1. List of directors:						
Title	(State whether executive, non-executive, chairperson)	Forename(s)	Surname	Age	Citizenship	Address


2. The following are particulars for the qualifications and experience of the directors, chief executive and secretary of the Issuer:

Name	Position	Qualifications	Experience

**PART C: PROPOSED LISTING TIMETABLE**

1. Listing document date:	
2. Interview with the Issuer:	
3. Listing Document publication date:	
4. Listing date:	

**PART D: DETAILS OF CAPITAL**

1. Authorised Capital of [*Insert Currency*] [*Insert Amount*] divided into:

Class	Number	Par Value Per Unit	Total Nominal Value

2. Estimated market value of security / total capitalisation (debt) of issuer:

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3. Estimated market capitalisation of security/ nominal amount (debt) of securities for which listing is sought: -

--	--

4. The type(s) and number of securities for which application is made, being the issued (and paid up) capital of [*Insert Currency*] [*Insert Amount*] divided into: -

	Class	Number	Par Value Per Unit	Total Nominal Value
<i>Currently in issue</i>				

<i>Proposed to be issued pursuant to listing</i>				
5. The securities for which application is made...				
(a) Are identical in all respects*.			Yes	No
<i>Tick as applicable</i>				
(b) Are identical in all respects with an existing class of security*.			Yes/No	
<i>Tick as applicable</i>				
(c) Are listed or dealt in on another Exchange(s)**.			Yes/No	
<i>Tick as applicable</i>				
<i>*Provide the description of the nature of the securities</i>				
<i>**If the securities are listed or dealt in on another Exchange(s), provide details below.</i>				
<b>PART E: FINANCIAL DISCLOSURES</b>				
1. Turnover and profit attributable to investors for the three preceding years.				
Year Ending:				
	Turnover	Profit		
Year 1				
Year 2				
Year 3				
2. The undermentioned are the top twenty shareholders of the entity.				
Name	Address	Number of Shares	% of Holding	
<b>PART F: DETAILS OF ADVISORY TEAM</b>				
Role	Name	Physical Address		

<i>* The Nominated Advisor shall deliver a cover letter to the Exchange confirming that the Applicant is their client and are satisfied that the Applicant qualifies for listing.</i>		
<b>PART G: EXECUTION</b>		
For Issuer	Secretary	Director
<i>Insert Signatures</i>		
<i>Insert Full Names</i>		
For Nominated Advisor	Signatory 1	Signatory 2
<i>Insert Signatures</i>		
<i>Insert Full Names</i>		

SECOND SCHEDULE (Section 87)

GUIDING CHECKLIST FOR PRELISTING STATEMENT OR OFFER DOCUMENT

Item	Details
	2.1 Corporate Information
(a)	Forward-Looking Statements
(b)	Definitions
(c)	Salient Information
	2.2 Information on Issuer
(a)	History and Background of Issuer
(b)	Vision, Mission and Values
(c)	Operating Environment of Issuer and Business Units
(d)	Financial Performance
(e)	Capital Structure
(f)	Top 20 Investors
(g)	Capital Commitments, Lease Commitments and Contingent Liabilities
(h)	Dividend Policy or Terms and Conditions of Interest Disbursements and Capital Redemptions
(i)	Recent Acquisitions
(j)	Material Information
(k)	Facts and Events Which May Have a Material Effect on The Issuer
(l)	Litigation Statement
(m)	Material Contracts

(n)	Future Prospects of Issuer
(o)	Key Business Risks
	2.3 Details of the Listing
(a)	Authorisation For Listing
(b)	Details of the Issue and Utilisation of Proceeds (Where Applicable)
(c)	Tax Implications of the listing
(d)	Costs of The Listing
(e)	Conditions Precedent
(f)	Regulatory Issues
(g)	Documents Available for Inspection
(h)	Experts' Consents
	2.4 Corporate Governance
(a)	Corporate Governance Framework
(b)	Directors of Issuer
(c)	Directors Profiles
(d)	Directors' Interests
(e)	Other Interests
(f)	Directors' Responsibility Statement
(g)	Management
(h)	Skills Retention Arrangements and Remuneration
	2.5 Reporting Accountant's Report on The Historical Financial Information of The Issuer
	2.6 Historical Share Price Movement or Valuation Report
	2.7 Any other Information the Exchange may require from time to time

### THIRD SCHEDULE (Section 88)

#### TIME LIMIT CHECKLIST ON CORPORATE ACTIONS AND EVENTS

An Issuer must follow the time limits set out in the following sample timetables for corporate actions. All Issuers must consult with the Exchange prior to the publication of a timetable.

EVENT	TIME LIMITS
3.1 Listing process (Introduction/IPO)	
In the case of an IPO, announcement of offer price and opening date of IPO	at least 7 days before the IPO opening date.
3.2 Dividends or Distributions	
(a) Announcement date	Day 0
(a) Closing Date (Last Date to Trade on Cum Basis)	Record Date minus 3 Business Days
(b) Securities quoted on "ex" basis	Record Date minus 2 Business Days
(c) Record date to identify securities holders entitled to the dividend (distribution).	By Day 14 of Announcement Date

(d) Last date for elections under a scrip dividend or distribution plan.	at least 1 business day after record date.
(e) Date of dividend (distribution) payment.	The dividend (distribution) must be paid (distributed) within 14 days of the record date. However, where the date of payment falls on a day on which banks in Zimbabwe are closed, the date of the payment must be the next day on which the banks are open.
<b>3.3 Interest Payments on Quoted Debt Securities</b>	
(a) Record date to identify persons entitled to receive interest payments on debt securities and convertible debt securities	By Day 14 of Announcement Date
(b) Payment date	The interest must be paid within 14 days of the record date. However, where the date of payment falls on a day on which banks in Zimbabwe are closed, the date of the payment must be the next day on which the banks are open.
<b>3.4 Pro Rata Issues (Renounceable)</b>	
(a) Entity announces pro rata issue and applies for quotation.	Day 0
(b) Entity lodges a Disclosure Document or Disclosure Statement	At least 7 business days before the record date.
(c) Entity sends notice to securities holders containing details of the timetable (in particular the “ex” date, rights trading period and applications close date) and a statement that the Disclosure Document or Disclosure Statement has been lodged with the Exchange and is available on the Exchange website and the entity’s website (if applicable) are to appear prominently.	At least 7 business days before record date.
(d) Securities are quoted on an <i>ex-basis</i> and rights trading starts on a deferred settlement basis	Record Date minus 2 Business Days
(e) Record date to identify securities holders entitled to participate in the issue.	By Day 14 of Announcement Date
(f) Entity sends the disclosure offer documents or Disclosure Statement and either serially personalised numbered entitlement and acceptance forms or serially numbered provisional letters of allotment on a “nil paid”	No more than 3 business days after record date.

basis to persons entitled and announces that this has been completed.	
(g) Rights trading ends. [Note: securities are quoted on a deferred settlement basis on the next business day after rights trading finishes].	6 business days before applications closing date.
(h) Offer closes at 4 pm.	At least 21 business days after the entity mails the Disclosure Document or Disclosure Statement to holders.
(i) Entity notifies the Exchange of the outcome.	No more than 3 business days after applications closing date.
(j) Issue date. Deferred settlement trading ends. Last day for entity to confirm to the Exchange all closure. [Note: Normal trading (T+3) starts on the next business day after the issue date].	No more than 5 business days after applications closing date.
3.5 General Events	
(a) Publication of annual financial statements.	Within 3 months of the Issuers financial year-end.
(b) Publication of interim financial statements.	Within 2 months of the Issuers financial year-end
(c) Notices for Investor Meetings.	21 business days prior to the proposed meeting.

#### FOURTH SCHEDULE (Section 89)

##### STANDARD ELIGIBILITY CRITERIA FOR EQUITY SECURITIES

REQUIREMENT	CRITERIA
4.1 Incorporation status	The Applicant shall be duly incorporated.
4.2 Capitalisation	The Applicant shall have a minimum capital as prescribed by the Exchange from time to time.
4.3 Pre-Listing Statement / Offer Document	The Applicant shall prepare and submit a Listing Document.
4.4 Tradability and Transferability	The Applicant shall ensure that its securities to be listed shall be freely transferable and not subject to any restrictions on tradability.
4.5 Availability and reliability of financial records	<p>(a) The Applicant shall submit audited financial statements prepared in line with the standards prescribed by the PAAB from time to time.</p> <p>(b) Where the application is made more than 8 months after the end of the financial year to which the audited financial statements relate, the Applicant shall provide reviewed half year financial statements.</p>

4.6 Competence and suitability of directors and management	<p>(a) The directors of the Applicant shall: -</p> <ul style="list-style-type: none"> <li>(i) not have any criminal record involving fraud or dishonesty;</li> <li>(ii) not be bankrupt or insolvent as may be declared by a Court of competent jurisdiction, whether in Zimbabwe or otherwise;</li> <li>(iii) not have been the subject of any ruling of a court of competent jurisdiction or any regulatory body in any jurisdiction that permanently or temporarily prohibits such director from undertaking any licensable activity.</li> </ul> <p>(b) The Applicant shall have senior management with relevant experience for at least one year prior to the listing.</p>
4.7 Dividend Policy	The Applicant shall disclose the dividend policy.
4.8 Capitalisation	The Applicant shall have a minimum authorised issued and fully paid-up capital as the Exchange may recommend on an applicant-by-applicant basis.
4.9 Solvency and Adequacy of Working Capital	The Applicant shall demonstrate its solvency and adequacy of its working capital.
4.10 Offer Discount / Premium	The discount or premium at which the securities shall be issued shall be disclosed.
4.11 Listing by Class	The securities that shall be issued must be of a class already in issue.
4.12 Free float	The listing must consist of all the issued securities in the same category. At least 25% of the listed securities must be held by public shareholders.
4.13 Transfer Secretary	An Applicant shall appoint a transfer secretary to maintain its share register.
4.14 Submissions	The Issuer Admission Requirements in Part III of these Rules shall apply.

#### FIFTH SCHEDULE (Section 90)

#### STANDARD ELIGIBILITY CRITERIA FOR FIXED INCOME SECURITIES

This is the standard eligibility criteria for Fixed Income Securities: -

REQUIREMENT	CRITERIA
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5.1	Jurisdiction	The Applicant shall disclose the jurisdiction under which the fixed income instrument shall be issued.
5.2	Currency	Applicant shall disclose currency of the issue.
5.3	Pricing	The Applicant shall provide the pricing supplement.
5.4	Asset-Backed Securities	The Applicant shall disclose details of the underlying asset.
5.5	Coupon Details	The Applicant shall disclose the coupon rate, the date from which interest accrues, dates for qualification, books closure and payment.
5.6	Interest Calculation Method	The Applicant shall disclose the interest calculation method.
5.7	Interest Rate Changes	(a) In the event of a change in the interest rate the Issuer shall notify the Exchange and investors immediately upon making the decision but not less than 21 business days before the record date. (b) If the Issuer fails to comply with subparagraph (a), the interest rate previously provided shall continue in force.
5.8	Redemption	The Applicant shall disclose the terms and conditions of redemption.
5.9	Multiple Issuance	The Applicant shall disclose the relationship between the fixed income security and any other securities that the Applicant has in issue including, the performance history of the Applicant's other fixed income securities (uptake, returns and default where applicable).
5.10	Collateralisation	If the fixed-income security is collateralised, the Applicant shall provide the Exchange with certified copies of the agreement, and further disclose comprehensive details of the collateralisation in the Applicant's Offer Document. The comprehensive details may include, but not limited to rights of recourse or any discount.
5.11	Trust Arrangement	The Applicant shall disclose the name, role and physical address of the Trustee and further submit written notification of any change of the Trustee, giving reasons thereof and providing details of the new Trustee.

5.12 Default	Where the Applicant anticipates an event of default or the real likelihood of the same, the Applicant shall promptly inform the Exchange and shall provide the proposed interventions the Applicant intends on implementing to mitigate its effects.
5.13 Indenture	The Applicant shall disclose the circumstances under which the Applicant is allowed to amend the Issue Indenture and the terms and conditions required to effect that amendment.
5.14 Special Status Issues	The Applicant shall disclose any special status afforded to the issue such as prescribed asset status or liquid asset status.
5.15 Submissions	The Issuer Admission Requirements in Part III of these Rules shall apply.
5.16 Ongoing Obligations	The Issuer shall comply with section 61 of these Rules.

#### SIXTH SCHEDULE (Section 91)

#### STANDARD ELIGIBILITY CRITERIA FOR THE GROWTH ENTERPRISES MARKET

The Growth Enterprises Market on the Exchange is targeted at Micro, Small and Medium Enterprises (MSMEs) who wish to raise capital through listing onto the Exchange.

REQUIREMENT	CRITERIA
6.1 Incorporation Status	<p>The entities that can list on the Growth Enterprises Market are: -</p> <p>(a) Public Limited Company registered in terms of the legislation governing companies in Zimbabwe and that qualifies as an MSME in terms of the criteria set by the Exchange.</p> <p>(b) Collective Investment Scheme registered as an internal scheme in terms of the Collective Investment Scheme Act [<i>Chapter 24:19</i>], whose purposes is to invest into MSMEs.</p>
6.2 MSME Categorisation	<p>MSMEs may be classified as micro enterprises, small enterprises and medium enterprises based on: -</p> <p>(a) Number of employees;</p> <p>(b) Annual turnover;</p> <p>(c) Total assets;</p>

	<p>(d) Capital; and</p> <p>(e) any other criteria as may be prescribed by the Exchange from time to time.</p>
6.3 Capitalisation	The Applicant shall have a minimum authorised issued and fully paid-up capital as the Exchange may recommend on an applicant-by-applicant basis.
6.4 Foreign Participation	In addition to any other obligations resting upon the Applicant in terms of any laws of general application, in the event that an Applicant's securities attract participation by foreigners, the Applicant shall ensure that it complies with any Exchange Control requirements applicable to its arrangements.
6.5 Form of Capital Raising	<p>(a) The Applicant shall indicate whether it wishes to raise capital through Debt or Equity Financing.</p> <p>(b) Where the Applicant wishes to raise capital through debt financing, the provisions of Fifth Schedule shall apply.</p> <p>(c) Where the Applicant wishes to raise capital through equity financing, the provisions of Fourth Schedule shall apply.</p>
6.6 Availability and Reliability of Financial Records	<p>(a) The Applicant shall submit latest annual financial statements audited in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (International Financial Reporting Standards for Small and Medium Sized Entities (SMEs) 2015).</p> <p>(b) Where the application is made more than 8 months after the end of the financial year to which the audited financial statements relate, the Applicant shall provide reviewed half year financial statements reviewed in terms of International Financial Reporting Standards for Small and Medium-sized Entities (International Financial Reporting Standards for Small and Medium Sized Entities (SMEs), 2015).</p> <p>(c) The Applicant shall submit at least three (3) years financial projections to the Exchange.</p>

6.7	Solvency and Adequacy of Working Capital	The Applicant shall demonstrate its solvency and adequacy of its working capital.
6.8	Offer Discount / Premium	The discount or premium at which the securities shall be issued shall be disclosed.
6.9	Listing by Class	(a) The securities that shall be issued must be of a class already in issue. (b) The listing must consist of all the issued securities in the same category.
6.10	Tradability and Transferability	Securities to be listed shall be freely transferable and not subject to any restrictions on tradability.
6.11	Free Float	At least 25% of the listed securities must be held by public shareholders.
6.12	Transfer Secretary	The Applicant must appoint a transfer secretary to administer its share register.
6.13	Competence and Suitability of Directors and Management	(a) The directors of the Applicant shall: - (i) not have any criminal record involving fraud or dishonesty; (ii) not be bankrupt or insolvent; (iii) not have been the subject of any ruling of a court of competent jurisdiction or any regulatory body in any jurisdiction, that permanently or temporarily prohibits such director from undertaking any licensable activity. (b) The Applicant shall have senior management with relevant experience of at least one year prior to the listing.
6.14	Dividend Policy	The Applicant shall disclose its dividend policy.
6.15	Lock-in Moratorium	The Promoter shall not be allowed to dispose of any interest in the securities for a period of one year from the date of admission onto the Exchange.
6.16	Nominated Advisors	Every Applicant shall appoint a Nominated Advisor to guide and advise it on the listing.
6.17	Application and Listing Fees	All Applicants shall pay a fee as prescribed.
6.18	Submissions and Continuing Obligations of the Issuer	(a) The Issuer Admission Requirements in Part III of these Rules shall apply. (b) The Issuer shall publish on the GEM Portal, financial information on a monthly basis not more than fourteen (14) days after the month-end;

	<p>(c) The Issuer shall grant the Exchange the rights to independently access and publish the Issuer's financial information from the Issuer's financial service providers including but not limited to registered banks, mobile money operators and insurance providers;</p> <p>(d) The Issuer shall publish, on the GEM Portal, half-year unaudited financial statements not later than a calendar month after the end of its half financial year;</p>
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SEVENTH SCHEDULE (Section 92)

STANDARD ELIGIBILITY CRITERIA FOR DEPOSITORY RECEIPTS (DRs)

REQUIREMENT	CRITERIA
7.1 Underlying Security	The Exchange may list depository receipts that grant the holder of the depository receipt the right to an underlying listed security.
7.2 Custodianship of underlying securities	All underlying securities of depository receipts shall be held by a custodian.
7.3 Minimum size	The Exchange shall prescribe the minimum value of underlying securities against which depository receipts shall be issued.
7.4 Offer Document or Pre-listing Statement	The Offer Document or Pre-listing Statement detailing the features of the depository receipt and its underlying asset shall be submitted to the Exchange for approval prior to publication.
7.5 Tradability and Transferability	The Applicant shall ensure that the depository receipts to be listed shall be freely transferable and not subject to any restrictions on tradability.
7.6 Availability and reliability of financial records	<p>(a) The Applicant shall submit audited financial statements prepared in line with the standards prescribed by the PAAB from time to time.</p> <p>(b) Where the application is made more than 8 months after the end of the financial year to which the audited financial statements relate, the Applicant shall provide reviewed half year financial statements.</p>
7.7 Competence and suitability of directors and management	<p>(a) The directors of the Applicant shall: -</p> <p>(i) not have any criminal record involving fraud or dishonesty;</p>

	<ul style="list-style-type: none"> <li>(ii) not have been bankrupt or insolvent in terms of any law;</li> <li>(iii) not have been the subject of any ruling of a court of competent jurisdiction or any regulatory body in any jurisdiction, that permanently or temporarily prohibits such director from undertaking any licensable activity.</li> </ul> <p>(b) The Issuer shall have senior management with relevant experience for at least one year prior to the listing.</p>
7.8 Dividend Policy	The Applicant shall disclose the dividend policy of the underlying assets or the applicable interest rate(s), which shall apply to the Depository Receipt.
7.9 Solvency	The Applicant shall demonstrate its solvency.
7.10 Depository Receipts to underlying securities	The ratio of depository receipts to underlying security should allow for tradability and the ratio shall be approved by the Exchange.
7.11 Offer Discount or Premium	If applicable, the Applicant shall disclose the discount or premium at which the securities shall be issued.
7.12 Register Maintenance	The Applicant shall appoint a transfer secretary to manage the register of the depository receipt holders.
7.13 Submissions	The Applicant shall submit a certified copy of the Custody Agreement with the custodian of the underlying security.
7.14 Constitutive Document	<p>The constitutive document of the depository receipts shall include but not limited to the following disclosures: -</p> <ul style="list-style-type: none"> <li>(a) The rights of the Depository Receipt holders;</li> <li>(b) The obligations of the Applicant to disclose information;</li> <li>(c) The obligations of all the key participants in the Issue;</li> <li>(d) Procedures for withdrawal of the Depository Receipts;</li> <li>(e) Applicable fees; and</li> <li>(f) the ratio of depository receipts to the underlying assets.</li> </ul>

<p>7.15 Additional Ongoing Obligations</p>	<p>(a) The Issuer of the depository receipt shall release to the Exchange all information and documents within 24 hours of receipt of such information and documents from the Issuer of the underlying securities or from the exchange on which the underlying securities are listed.</p> <p>(b) The Issuer of the depository receipt shall afford the same rights as holders of the underlying securities to depository receipt holders. These rights shall include but are not limited to: -</p> <ul style="list-style-type: none"> <li>(i) obtaining financial reports;</li> <li>(ii) invitations to and voting at Annual and Extraordinary General Meetings; and</li> <li>(iii) entitlement to a share of the distributions, such as interest or dividends.</li> </ul> <p>(c) Voting rights and invitation to Annual and Extraordinary General Meetings are not mandatory for unsponsored issues.</p> <p>(d) The Issuer shall notify depository receipt holders of any material information that may arise.</p>
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EIGHTH SCHEDULE (Section 93)

STANDARD ELIGIBILITY CRITERIA FOR OPTION CONTRACTS

REQUIREMENT	CRITERIA
<p>8.1 Terms and Conditions</p>	<p>Contract writers and investors shall be subject to the terms and conditions prescribed by the Exchange.</p>
<p>8.2 Contract Writing Eligibility</p>	<p>(a) An individual: -</p> <ul style="list-style-type: none"> <li>(i) Full name;</li> <li>(ii) Certified copy of valid identity document (if a Zimbabwean National);</li> <li>(iii) Notarised copy of a valid passport (if a Non-Zimbabwean National);</li> <li>(iv) Certified copies of proof of residential address (not more than 3 months old);</li> <li>(v) Declaration of source of funds;</li> <li>(vi) Valid banking details;</li> </ul>

	<ul style="list-style-type: none"> <li>(vii) Valid securities trading account on the Exchange;</li> <li>(viii) Valid registration with a Clearing Participant;</li> <li>(ix) Valid email address; and</li> <li>(x) Contact details.</li> </ul> <p>(b) Corporate entities: -</p> <ul style="list-style-type: none"> <li>(i) Name of entity;</li> <li>(ii) The legal status of the entity and constitutive documents;</li> <li>(iii) The identities of the directors, and their proof of residence;</li> <li>(iv) The identity of any person purporting to act on behalf of the entity;</li> <li>(v) Board of Directors resolution to invest, and identification of those who have authority to operate the investment account;</li> <li>(vi) The ownership and control structure of the entity and the ultimate beneficial owners;</li> <li>(vii) Principal place of entity's business operations;</li> <li>(viii) Mailing address of the entity and contact numbers;</li> <li>(ix) Nature of business; and</li> <li>(x) Valid registration with a Clearing Participant.</li> </ul>
8.3 Underlying Security	The Exchange shall provide a list of eligible underlying securities on which option contract can be written from time to time.
8.4 Tenure of Contract	The contract writer shall specify the tenure of the option contract.
8.5 Trading Cycle	The Exchange shall prescribe the trading cycle of option contracts.
8.6 Collateral	Every option contract shall be backed by collateral acceptable to the Exchange which will be in the form of either a financial security, cash, bank guarantee or acceptable margin as may be defined by the Exchange from time to time.

NINTH SCHEDULE (Section 94)

STANDARD ELIGIBILITY CRITERIA FOR FUTURES CONTRACTS

REQUIREMENT	CRITERIA
9.1 Terms and Conditions	Futures Market Participants shall be subject to the terms and conditions prescribed by the Exchange.
9.2 Client Requirements	<p>(a) An individual: -</p> <ul style="list-style-type: none"> <li>(i) Full name;</li> <li>(ii) Certified copy of valid identity document (if a Zimbabwean National);</li> <li>(iii) Notarised copy of a valid passport (if a Non-Zimbabwean National);</li> <li>(iv) Certified copies of proof of residential address (not more than 3 months old);</li> <li>(v) Declaration of source of funds;</li> <li>(vi) Valid banking details;</li> <li>(vii) Valid securities trading account on the Exchange;</li> <li>(viii) Valid registration with a Clearing Participant;</li> <li>(ix) Valid email address; and</li> <li>(x) Contact details.</li> </ul> <p>(b) Corporate entities: -</p> <ul style="list-style-type: none"> <li>(i) Name of entity;</li> <li>(ii) The legal status of the entity and incorporation documents;</li> <li>(iii) The identities of the directors, and their proof of residence;</li> <li>(iv) The identity of any person purporting to act on behalf of the entity;</li> <li>(v) Board of Directors resolution to invest, and identification of those who have authority to operate the investment account;</li> <li>(vi) The ownership and control structure of the entity and the ultimate beneficial owners;</li> <li>(vii) Principal place of entity's business operations;</li> <li>(viii) Mailing address of the entity and contact numbers;</li> <li>(ix) Nature of business; and</li> <li>(x) Valid registration with a Clearing Participant.</li> </ul>

9.3	Last Trading Day	Trading ends at the close of the Trading last business day of the month proceeding the named contract month or on a day specified by the Exchange as the last trading day.
9.4	Tick size	The minimum price fluctuations shall be as determined by the Exchange from time to time.
9.5	Contract Size	The Exchange shall determine the contract size for all Futures Contracts.
9.6	Underlying Assets	The Exchange from time to time shall determine the underlying assets to a Futures Contract.
9.7	Tenure of Contract	The Exchange shall specify the tenure of the futures contract.
9.8	Contract Months	The Exchange shall offer and make available Futures Contracts during the following months during each financial year: - (a) March (b) June (c) September; and (d) December
9.9	Settlement Modes	The Exchange shall prescribe the settlement mode on a product and/or underlying securities basis.

TENTH SCHEDULE (Section 95)

STANDARD ELIGIBILITY CRITERIA FOR EXCHANGE TRADED FUNDS

REQUIREMENT	CRITERIA	
10.1	General Requirements	<ul style="list-style-type: none"> <li>(a) The Exchange may admit for listing a fund that is registered in terms of the Collective Investment Scheme Act [<i>Chapter 24:19</i>].</li> <li>(b) The Applicant shall be subject to the same general admission requirements and procedures set out in Part III.</li> <li>(c) The Applicant shall appoint a Market Maker that is registered as such with the Exchange.</li> <li>(d) The Applicant shall submit a board resolution authorising the Issuer to apply for listing.</li> <li>(e) Collateralisation - The value of the ETF shall be equivalent to underlying asset or basket of assets.</li> <li>(f) Valuation and Pricing -</li> </ul>

	<ul style="list-style-type: none"> <li>(i) The Applicant shall disclose the methodology of computation of the ETF's Net Asset Value.</li> <li>(ii) Every ETF shall disclose the formula linking the performance of the ETF to the performance of the reference index.</li> <li>(iii) The Applicant shall provide historical price of the reference index dating back a minimum of four months from the date of application.</li> </ul>
10.2 Disclosures	<p>The Listing Document should disclose the following: -</p> <ul style="list-style-type: none"> <li>(a) The reference index;</li> <li>(b) Management policy and objectives;</li> <li>(c) Fees and other charges;</li> <li>(d) Full name and profile of the Applicant, manager and trustee;</li> <li>(e) Names and addresses of the advisors to the issue;</li> <li>(f) Place and date of incorporation of the Applicant, Manager and Trustee;</li> <li>(g) Full names, details and addresses of directors of the Applicant, Manager and Trustee;</li> <li>(h) Salient features of the Issuer's financial statements, corporate governance structures and key personnel;</li> <li>(i) Applicant's contact person;</li> <li>(j) Any interests of directors of the Applicant and their associates in the ETF;</li> <li>(k) Potential conflict of interest;</li> <li>(l) Risk management and reporting obligations of the Applicant, Market Maker, Manager and the Trustee;</li> <li>(m) Justification for issuance of the stated type of ETF including reasons for selection of the ETF assets and the benefits to the investors and the Applicant;</li> <li>(n) A description of the asset holding upon which the ETF is based, including identification of the constituent assets and the ratio of their combination;</li> </ul>

	<ul style="list-style-type: none"> <li>(o) Disclose the details of the underlying fixed income security including the Maturity Date and Coupon Rate, in respect to debt-based ETFs;</li> <li>(p) The quantity of each security or other asset held, the percentage weight of the holding in the portfolio, the market value and, where applicable, the effective date;</li> <li>(q) The circumstances under which the ETF shall be updated or reconstituted and the frequency;</li> <li>(r) The currency of issue;</li> <li>(s) Creation and redemption of ETF units.</li> <li>(t) The dividend distribution policy in terms of timeliness, retention, distribution costs, re-investment and mode of payment;</li> <li>(u) A comprehensive report on the embedded risks and risk mitigation measures;</li> <li>(v) The issues anticipated to affect the ETF's ability to fully replicate its target index, the level of tracking error that may be reasonably expected and a policy to minimize tracking error;</li> <li>(w) The course of action that shall be taken by the Application if an underlying security is suspended or delisted and the repercussions on the computation of Net Asset Value; and</li> <li>(x) The actions to be taken by the Applicant to safeguard investors if the ETF fails due to but not limited to, a bad business model, poor risk management, fraud, or loss of liquidity.</li> </ul>
10.3 Ongoing Obligations	<ul style="list-style-type: none"> <li>(a) The Issuer must adhere to the ETFs' investment objective and publicly disclose any changes to the ETF's investment strategy and all material changes and developments that may affect the ETF valuation and operations.</li> <li>(b) The Issuer shall submit a notification to the Exchange for alterations to governance structures and capital structure including but not limited to; new issues, changes of</li> </ul>

	<p>rights attached to listed securities or matters affecting conversion rights.</p> <p>(c) Where applicable, the Issuer shall submit a written notification of any change to the Trustee and Manager, giving reasons thereof and provide details of the new Trustee and Investment Manager.</p> <p>(d) The Issuer shall publicly disclose any material information.</p> <p>(e) The Issuer shall update the following data on the Exchange’s ATS at the beginning of each trading session: -</p> <p>(i) the Net Asset Value of the ETF;</p> <p>(ii) the number of units outstanding; and</p> <p>(iii) the Net Asset Value of the ETF for the preceding day;</p> <p>(f) The Issuer shall provide ETF unit holders with the following: -</p> <p>(i) Interim financial statements not later than 2 months after the end of the six months period;</p> <p>(ii) Audited annual financial statements not later than three (3) months of the end of the financial year; and</p> <p>(iii) Details of distributions of dividends, realised gains and other entitlements to security holders.</p>
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**ELEVENTH SCHEDULE (Section 96)**

**PARTICIPANTS APPLICATION FORM FSA2**

For KYC, Registration, Trading and Settlement on the Financial Securities Exchange  
(Private) Limited

<b>PART A: APPLICANT DETAILS</b>		
A.1	Name of Legal Entity	
A.2	Trade Name	
A.3	Corporate Registration Number	

A.4	Address of Principal Place of Business			
A.5	Postal Address			
A.6	Telephone Number			
A.7	Web Address/URL			
A.8	Primary contact person of the applicant	Name:		
		Title:		
		Telephone:		
		Mobile Number:		
		Email:		
<b>PART B: PARTICIPATION CLASS</b>				
	Please indicate the participant class to which the applicant is seeking admission:		Tick as Preferred	
		B1 Securities Trading		
		B2 Investment Advisory		
		B3 Custody		
		B4 Market Making		
		B5 Transfer Secretary		
		B6 Clearing & Settlement		
<b>PART C: REGULATORY CLEARANCE</b>				
	Please indicate whether the applicant currently holds one or more authorisations to provide securities or financial services			
		*Licence 1	*Licence 2	*Licence 3
C.1	The Issuing Authority:			
C.2	Type of Licence:			

C.3	Licence Number:			
C.4	Date of Issue:			
C.5	Date of Expiry (If Applicable):			
		*Please provide a certified copy of each licence		
<b>PART D: AUTHORISED USER CREDENTIALS</b>				
<b>PRINCIPAL 1</b>		<b>*Attach a certified copy of identity document</b>		
First Name(s)				
Surname				
Citizenship				
Identity Number				
Residential Address				
Position				
Telephone				
Mobile				
Email				
IP Address 1 (Office)				
IP Address 2 (Home)				
<b>PRINCIPAL 2</b>		<b>*Attach a certified copy of identity document</b>		
First Name(s)				
Surname				
Citizenship				
Identity Number				
Residential Address				
Position				
Telephone				
Mobile				

Email	
IP Address 1 (Office)	
IP Address 2 (Home)	
<b>SYSTEMS ADMINISTRATOR</b>	<b>*Attach a certified copy of identity document</b>
First Name(s)	
Surname	
Citizenship	
Identity Number	
Residential Address	
Position	
Telephone	
Mobile	
Email	
IP Address 1 (Office)	
IP Address 2 (Home)	
<b>PART D: AUTHORISED USER CREDENTIALS</b>	
<b>USER 1</b>	<b>*Attach a certified copy of identity document</b>
First Name(s)	
Surname	
Citizenship	
Identity Number	
Residential Address	
Position	
Telephone	
Mobile	
Email	

IP Address 1 (Office)	
IP Address 2 (Home)	
USER 2	<b>*Attach certified copy of identity document</b>
First Name(s)	
Surname	
Citizenship	
Identity Number	
Residential Address	
Position	
Telephone	
Mobile	
Email	
IP Address 1 (Office)	
IP Address 2 (Home)	
USER 3	<b>*Attach copy of identity document and proof of residence</b>
First Name(s)	
Surname	
Citizenship	
Identity Number	
Residential Address	
Position	
Telephone	
Mobile	
Email	

IP Address 1 (Office)	
IP Address 2 (Home)	
USER 4	*Attach certified copy of identity document
First Name(s)	
Surname	
Citizenship	
Identity Number	
Residential Address	
Position	
Telephone	
Mobile	
Email	
IP Address 1 (Office)	
IP Address 2 (Home)	

**PART E: APPLICANT’S DECLARATION**

I/We, the undersigned, being duly authorised, hereby seek admission of the Applicant as a ..... (*indicate participation class as in section B above*) Participant of the Financial Securities Exchange (Private) Limited [“the Exchange”] and be allowed access to the systems of the Exchange on the terms prescribed by the Exchange, from time to time.

We confirm that the information provided is complete and accurate. We will notify the Exchange of any other information which is relevant to the application and we will immediately advise the Exchange of any significant changes in the information provided, in this application form, that may occur after the date of submission of the application and prior to receiving notification of the Exchange’s decision.

I/We allow the Exchange to request and obtain information from, and pass information to, regulatory authorities in Zimbabwe and elsewhere as may be required. In particular, the

Exchange may share information regarding the Applicant as is necessary to assess the application.

	Authorised Signatory 1	Authorised Signatory 2
Name		
Designation		
Signature		
Date		

#### TWELFTH SCHEDULE (Section 97)

##### OFFENCES AND PENALTIES

- (1) Participants and issuers shall pay the penalty charges prescribed in “Table B” which charges shall be subject to revision on a periodic basis.
- (2) The penalty charges due to the Exchange shall be paid to the Exchange within fourteen (14) days following receipt of the invoice unless stated otherwise.
- (3) The Penalty Charges shall be paid either in the local currency at the prevailing official exchange rate on the date of payment or in foreign currency.

TABLE B.

Penalty Charges	
Delayed Settlement	\$50 - for everyday till settlement
Unreconciled Accounts & Register	\$20 - for each day till reconciled
Settlement shortage	0.05%
Security deposit shortage	0.05%
Non-collection of any margin from a client of the Participant	0.05% per day
1st instance	0.05% per day
2nd and 3 <sup>rd</sup> instance of default	0.1% per day
4 <sup>th</sup> instance of default	May result in suspension

#### THIRTHTEENTH SCHEDULE (Section 78)

##### LEVIES, FEES AND CHARGES

- (4) Participants and issuers shall pay the applicable fees, levies and charges prescribed in “Table A” which fees, levies and charges shall be subject to revision on a periodic basis.
- (5) The fees, levies and charges due to the Exchange shall be paid to the Exchange within fourteen (14) days following receipt of the invoice.

(6) The Levies, Fees and Charges shall be paid either in the local currency at the prevailing official exchange rate on the date of payment or in foreign currency.

TABLE C.

<b>Levies, Fees and Charges</b>		
<b>Annual Subscription Fees</b>		
Participant Application Fee	\$500	
Annual Participant Membership Fee (full member)	\$500	
Annual Participant Membership Fee (Associate)	\$500	
Annual Participant Membership Fee (Non-broking member)	\$200	
<b>Issuer Application Fees</b>		
Listing Application Fee for Equities and Fixed Income Boards	\$2,500	
Listing Application fee for Growth Enterprises Market	\$500	
Listing Application fee for Collective Investment Schemes	\$200	
Termination of Listing	\$500	
<b>Annual Listing Fees for Equities and Fixed Income</b>	<b>Equity Securities</b>	<b>Fixed Income</b>
Market Capitalisation Up to \$250,000	\$1,000	\$500
Market Capitalisation From \$25,000,000 to \$50,000,000	\$3,000	\$2,000
Market Capitalisation More Than \$50,000,000	\$5,000	\$4,000
Annual Listing Fees for Growth Enterprises Market	0.02% of Market Capitalisation	
Annual Listing Fees for Collective Investment Schemes	0.02% of Market Capitalisation	
Annual Option Contract Writing Membership Fees	\$150	
Option Contract Writing Fees	0.75% of the value of the premium of the contract	
Option Buying Fees	0.75% of the value of the premium of the contract	
Option Exercise	0.75% of the value of the premium of the contract	
Option Expiry Fee	0.75% of the value of the premium of the contract	
<b>Inspection Fees for Corporate Documents &amp; Circulars</b>		
Capital Restructure & Special Transaction Circulars	\$250	
Consolidation or Sub-Division Circular	\$250	
Capitalization Circular	\$250	
Dividend In-Specie Circular	\$250	
Re-Allocation Fee	\$10 per trade	
Guarantee Fund Levy paid by Participants	0.025% of the value of the trade	

