

Statutory Instrument 7 of 1987

Stock Exchange (General) Regulations, 1987

SIs 7/1987, 106/1992, 326/2001, 207/2004, 202/2005, 76/2007.

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IT is hereby notified that the Minister of Finance, Economic Planning and Development has, in terms of section 91 of the Zimbabwe Stock Exchange Act [Chapter 198], made the following regulations:—

1. Title

These regulations may be cited as the Zimbabwe Stock Exchange (General) Regulations, 1987.

2. Interpretation of terms

In these regulations—

“form” means the appropriate form specified in the First Schedule;

“holding company” and “subsidiary” have the respective meanings given by section 2 of the Companies Act [Chapter 24:03];

“recognised external stock exchange” means a stock exchange which is—

- (a) outside Zimbabwe; and
- (b) recognised for the purposes of these regulations by the Registrar by notice in the Gazette.

3. Register

The register shall be in form Z.S.E. 1.

4. Fees payable for inspection of register

The fee payable in terms of paragraph (f) of subsection (2) of section 22 of the Act for— (a) the inspection only of any entry in the register shall be fifty cents; or

(b) the inspection and copying of any entry in the register shall be one dollar.

5. Application for registration

An application for registration made in terms of sub-section (1) of section 28 of the Act shall be—

(a) in form Z.S.E. 2; and (b) accompanied by:—

- (i) a letter addressed to the Secretary and in the form specified in the rules; and
- (ii) documentary proof that the applicant—
 - A. has attained the age of twenty-one years; and

- B. owns in Zimbabwe, assets which exceed his liabilities by not less than one hundred thousand dollars;
- (iii) an undertaking in writing by the applicant that he will, in the event of his application for registration being accepted by the Registrar, obtain a policy or policies of insurance referred to in section 46 of the Act.

6. Recommendation for registration

A recommendation made by the committee in terms of subsection (1) of section 30 or subsection (1) of section 30A of the Act shall be accompanied by—

- (a) a copy of the application for registration concerned; and
(b) a certificate issued by the Committee stating that the applicant has arranged to acquire not less than four but not more than twelve proprietary rights.

7. Certificate of

registration A certificate of registration shall be in form Z.S.E. 3.

8. Broker's transfer form

- (1) A broker's transfer form shall be in form Z.S.E. 4.
(2) In this section—
“broker's transfer form” has the meaning given by section 47 of the Act.

9. Securities' transfer form

- (1) A securities' transfer form shall be in form Z.S.E. 5.
(2) In this section—
“securities' transfer form” has the meaning given by section 47 of the Act.

10. Particulars in broker's note

A broker's note shall contain in addition to the particulars set out in paragraphs (a) to (c) of subsection (1) of section 52 of the Act, the name under which the registered stockbroker concerned carries on his practice or, where the registered stockbroker concerned is a member of a partnership or corporate body—

- (a) the name of the partnership or corporate body; and
(b) the name of each member of the partnership or corporate body.

11. Submission of memorandum and articles of association and Payment of scrutiny fee

- (1) An issuer who applies for securities issued by him to be— (a) included in the official list; or
(b) dealt in on the Exchange in terms of the proviso to paragraph (b) of subsection (1) of section 16 of the Act; shall submit to the Committee with his application his memorandum and articles of association and the memorandum and articles of association of each of his subsidiaries; if any.
- (2) Where securities issued by an issuer— (a) have been included in the official list; or
(b) may be dealt in on the Exchange in terms of the proviso to paragraph (b) or subsection (1) of section 16 of the Act; the issuer shall—
- (i) whenever called upon by the Committee to do so, submit to the Committee his memorandum and articles of association and the memorandum and articles of association of each of his subsidiaries, if any;
- (ii) upon acquiring a subsidiary, submit to the Committee the memorandum and articles of association of the subsidiary.
- (3) An issuer shall, in respect of each submission referred to in subsection (1) or (2), pay to the Committee— (a) in the case of an issuer who is not a holding company, a scrutiny fee of five hundred dollars; or (b) in the case of an issuer who is a holding company, a scrutiny fee of—
- (i) seven hundred and fifty dollars in respect of the issuer; and (ii) five hundred dollars in respect of each subsidiary.

[Paragraphs amended by s.i. 106 of 1992.]

12. Original listing fees

(1) Where the Committee has, in terms of paragraph (c) of subsection (1) of section 16 of the Act, granted an application made by an issuer for securities issued by him to be included in the official list, the issuer shall, within a period fixed by the Committee, pay to the Exchange in respect of equity securities listed— (a)

- (i) the fees for the listing shall be an amount equal to 0,05% of the value of the security, subject to a minimum fee of five hundred thousand dollars and a maximum fee of seven hundred thousand dollars, calculated to the nearest \$50,00;

(ii) in respect of share incentive and share option scheme adopted by a company, the minimum fee shall be ten thousand dollars per application for the security to be listed. (b) the monetary value of securities shall be determined as follows—

- (i) number of securities listed multiplied by the higher of the issue price or the middle market price on the date of signature of the agreement; and
- (ii) introductions which no price is attributable to the securities will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading.

(c) in the case of an issuer who is the government or a municipality, town or statutory body, an original listing fee of one hundred thousand dollars in respect of each class of security concerned;

[Paragraphs (a), (b) and (c) substituted by s.i. 76 of 2007]

(2) The above-mentioned fees shall be payable at the time of application, except, in the case of an introduction when they are due on the day following the listing.

[Subsection inserted by s.i. 326 of 2001]

13. Additional listing fee

Where the Committee has, in terms of paragraph (c) of subsection (1) of section 16 of the Act, granted an application made by an issuer for securities issued by him to be included in the official list, which securities belong to a class of security issued by him in respect of which such an application has previously been granted, the issuer shall, within a period fixed by the Committee, pay to the Exchange an additional listing fee of five thousand dollars in respect of those securities

Provided that, if the issue of those securities does not entail an increase in the registered share capital of the issuer, no additional listing fee shall be payable.

[Section amended by s.i. 109 of 2000]

14. Annual sustaining and annual review fees

(1) An annual sustaining fee shall be paid each year except the calendar year in which the listing is granted and shall be calculated as follows—

- (a) in respect of equity securities listed, an amount equal to 0.05% of the market value of all the equity securities in the company listed calculated at the market price of such securities on the last day of business in March of each year, subject to a minimum fee of five hundred thousand dollars and a maximum fee of seven hundred thousand dollars, calculated to the nearest \$50,00;
- (b) in respect of issues with preference shares listed, an amount equal to 0.05% of the market value of all the preference shares in the company listed calculated at the market price of such preference listed on the last day of business in March of each year, subject to a minimum fee of five hundred thousand dollars and a maximum fee of seven hundred thousand dollars calculated to the nearest \$50,00;
- (c) in respect of issues with debentures, an amount equal to 0.05% of the market value of all the debentures in the company listed calculated at the market price of such debenture listed on the last day of business in March of each year subject to a minimum fee of five hundred thousand dollars and a maximum fee of seven hundred thousand dollars, calculated to the nearest \$50,00.

[Paragraphs (a), (b) and (c) substituted by s.i. 76 of 2007]

(2) Notwithstanding the above, where more than one of the above-mentioned classes of securities are listed, the issuer shall pay the higher fee only and, if a listing is terminated on or before the 30th June, 50% of the annual listing fee paid will be refunded to the issuer.

[Subsection inserted by s.i. 326 of 2001]

15. Prices in exchange transactions

For the purposes of the scale referred to in paragraph 4 of the First Schedule to the Act, all exchange transactions shall be transacted at the price ruling in Zimbabwe, which shall include any premium or discount ruling in respect of securities—

- (a) quoted by any stock Exchange outside Zimbabwe; and
- (b) in which dealings are permitted on the Exchange in terms of the proviso to paragraph (b) of subsection (1) of section 16 of the Act.

16. Brokerage

(1) Subject to the provisions of this section, the minimum rates of brokerage shall be those set out in the Second Schedule.

(2) If a registered stockbroker is instructed on one day, by one client, and for one account, to purchase or sell on behalf of that client a specified quantity of listed security, other than a listed security issued by the Government or a municipal council, town council or statutory body, and the registered stockbroker is unable to purchase or sell, as the case may be, that quantity by means of one Exchange transaction, the registered stockbroker shall—

- (a) purchase or sell that quantity by means of two or more Exchange transactions; and
- (b) for the purpose of calculating the brokerage payable in respect of that purchase or sale, aggregate the consideration paid or received in respect of—
 - (i) the first of the Exchange transactions referred to in paragraph (a); and
 - (ii) the second any subsequent Exchange transactions referred to in paragraph (a) and effected within a period of five trading days from the day upon which the Exchange transaction referred to in subparagraph (i) was effected.
- (3) If a registered stockbroker is instructed simultaneously to purchase and sell the same listed security by—
 - (a) client who is not a non-member institution; or
 - (b) two or more clients who are—
 - (i) not non-member institutions; and
 - (ii) in the case of clients who are natural persons, members of the same family or, in the case of clients and who are companies, a holding company and its subsidiaries or subsidiaries of the same company;

he may allow his client a rebate on the brokerage charged if—

- A. requested to do so by his client; and
- B. he considers that brokerage charged at the minimum rates set out in the Second Schedule would be unduly burdensome to the client referred to in paragraph (a); and C. he has obtained the prior consent of two elected committee members.

(4) If a registered stockbroker is instructed by a client who is a non-member institution, both to purchase to sell listed securities of a particular class, other than listed securities issued by the Government or a municipal council, town council or statutory body, the registered stockbroker shall charge brokerage separately in respect of the instruction so to purchase and the instruction so to sell, subject to a rebate on the brokerage in an amount determined by Committee, which rebate shall be additional to any rebate to which that client may be entitled in, in terms of subsection (5):

Provided that the client shall not be entitled to any rebate in terms of this subsection unless, in so instructing the registered stockbroker, that client is acting on behalf of persons who are bona fide principals of that client.

(5) If a registered stockbroker purchases or sells listed securities, other than listed securities issued by the Government or a municipal council, town council or statutory body, on behalf of a non-member institution, the non-member institution shall be entitled to a rebate—

- (a) on the brokerage charged in respect of that purchase or sale; and (b) determined by the Committee.

(6) The Committee may determine minimum rates of brokerage— (a) different from those referred to in subsection (1); and

(b) which may be charged in respect of purchases or sales listed securities effected by a registered stockbroker on behalf of a person who is—

- (i) a member of a recognised external stock exchange; and (ii) not a non-member institution.

(7) The brokerage payable on the purchase or sale of securities shall—

- (a) where the consideration is to be paid in Zimbabwean currency, be calculated in Zimbabwean currency;
- (b) where the consideration is to be paid in a currency other than Zimbabwean currency, be calculated in that currency or the Zimbabwe equivalent thereof.

(8) No brokerage shall be payable in respect of a purchase or sale—

- (a) of listed securities issued by the Government or a municipal council, town council or statutory body; and
- (b) effected by a registered stockbroker on behalf of the Reserve Bank of Zimbabwe or a discount-house.

(9) If the consideration payable for any listed securities is less than seven hundred and fifty dollars, the amount of brokerage shall be fifteen dollars:

Provided that, if the consideration payable for any listed securities is less than one hundred dollars, the amount of brokerage payable shall be fifteen dollars or such other amount, less than fifteen dollars, as the Committee may fix.

[Subsection amended by s.i 106 of 1992]

17. Miscellaneous fees

Where a registered stockbroker—

- (a) receives from a client an order for the purchase or sale of listed securities, the client shall pay to the registered stockbroker in respect of each security, a basic fee of twenty dollars in respect of the first transaction, and an additional fee of one dollar for the second and each subsequent transaction required to complete the order, in addition to any brokerage payable in respect of that purchase or sale.

- (b) undertakes at the request of any person, a valuation of any listed securities, that person shall pay to the registered stockbroker a valuation fee charged at the rate of five dollars for each class of listed security:

Provided that the minimum valuation fee shall be ten dollars.

[Paragraph amended by s.i 106 of 1992]

- (c) receives from a client for safe custody, certificates of listed securities, a fee not exceeding fifty dollars for each year or part thereof during which the certificates are deposited with him.

[Paragraph inserted by s.i 106 of 1992]

The regulations specified in the Third Schedule are repealed.

FIRST SCHEDULE (Section 2)

FORMS

- Form Z.S.E. 1 Register
- Form Z.S.E. 2 Application for registration
- Form Z.S.E. 3 Certificate of registration
- Form Z.S.E. 4 Broker's transfer form
- Form Z.S.E. 5 Securities' transfer form