

# The Communique

## ZSE Chief Executive's Foreword



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Welcome to our first edition of the 2019 ZSE Newsletter. This edition celebrates the activities of an optimistic year for the ZSE.

I joined the ZSE in March 2019, and I am happy to have joined such a vibrant team. Since my joining the ZSE, my mandate has been threefold;

- Getting the fundamentals right. This includes the core processes such as regulatory process as well as the supporting activities
- Improving relationships with stakeholders
- Growing the exchange in terms of new products, listings, investors and expanding ZSE's reach and influence

I am happy to report that tremendous efforts to achieve our objectives have yielded results. We conducted several Initial Public Offering (IPO) masterclasses in Harare and Bulawayo together with a Independent Power Producers (IPPs) masterclass to promote access of the ZSE platform to the public and private sectors as a gateway to raising capital (read more on page 2).

The gazetting of the ZSE Listing Requirements under Statutory Instrument 134 of 2019 was done on 14 June 2019 (read more on page 3).

We had the opportunity to host the Minister of Finance and Economic Development, Honourable Professor Mthuli Ncube see page 3.

One of the significant events that took place was the signing of a Memorandum of Understanding (MoU) with Botswana Stock Exchange. The MoU will make it easier for companies to cross list,(see story on page 4).

Our efforts in increasing new products on the market has seen the ZSE introducing Direct Market Access(DMA) and Exchange Traded Funds (ETFs) will be launched in Q4.

All these efforts have been in line with our vision to facilitate economic Development of Zimbabwe and Africa, and has been made possible with the support of all our stakeholders.

**Justin Bgoni**  
**Chief Executive Officer**

## IPO Masterclass Highlights



**Delegates at the Harare IPO MasterClass**

The ZSE organised an IPO masterclass for potential companies to learn about the listing process in detail. The workshop was aimed at opening up the ZSE to companies that have the potential to list, discuss the benefits of listing and explain the listing process and requirements.

The workshop featured a panel discussion with capital markets experts which included financial advisors, sponsoring brokers and fund managers. This provided an opportunity for potential Issuers to discuss in detail the advantages of listing a company on the stock exchange as well as the process involved in listing.

## Independent Power Producers (IPP) MasterClass

In a bid to attract more investments in the renewable energy sector through the capital markets, the Zimbabwe Stock Exchange Limited (ZSE) held a masterclass for Independent Power Producers (IPPs).

Hosting of the workshop was in line with the partnership entered by the ZSE with the Ministry of Energy and Power Development. The partnership will assist IPPs with a viable financing options to raise capital for their power generation projects.

## ZSE Launches Direct Market Access

Direct Market Access (DMA) was launched in June 2019 to enable Fund Managers and Institutional Investors to enter their orders directly into the Automated Trading System ("ATS") through a Client Binding Terminal without manual intervention by the broker.

With this initiative, a buyer can place their own orders to the buy and sell columns instantly, and advertise the quantity and price of a stock at which they are willing to trade.

## ZSE's Study Tour of Nairobi Securities Exchange(NSE)

The ZSE was hosted by Nairobi Securities Exchange (NSE) from 23-27 September 2019. The ZSE has benchmarked itself with NSE as part of its strategy and this study tour was meant to study and get a better understanding of the operations of the NSE.

Part of ZSE's board of directors and senior management team also took time to visit Capital Markets Authority (CMA), Central Depository and Settlement Corporation(CDSC) and Financial Sector Deepening Africa (FSD).





## REVISED LISTING REQUIREMENTS

STATUTORY INSTRUMENT 139 OF 2019

The ZSE gazetted its Listing Requirements in June 2019 after wide consultations with various stakeholders which include Investors, Issuers, Government of Zimbabwe, the Securities and Exchange Commission of Zimbabwe, Professional Advisors and Market Participants.

The rules had not been comprehensively reviewed since 2002. The key amendments were necessitated by significant and numerous changes in the local and foreign capital markets which had not been accommodated by the current rules. The ZSE conducted workshops with stakeholders to explain the rules in detail.

The main objectives of the revised listing requirements include enhancing transparency, disclosures and accountability in the governance of listed companies in order to build up investor confidence in the manner in which our market is regulated and operated.

## ZSE Meets with Minister of Finance and Economic Development

The Minister of Finance and Economic Development, Honourable Professor Mthuli Ncube met with ZSE's directors and senior management team to discuss the strategy of the exchange and discuss opportunities to improve the capital markets.

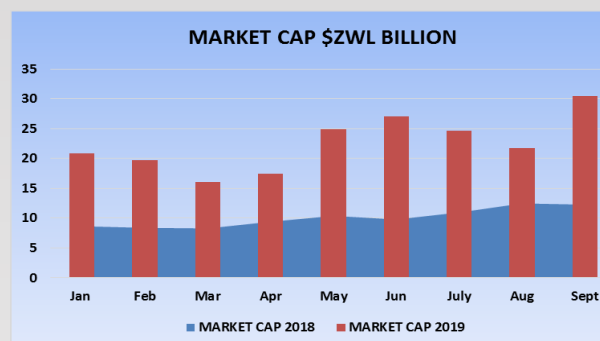
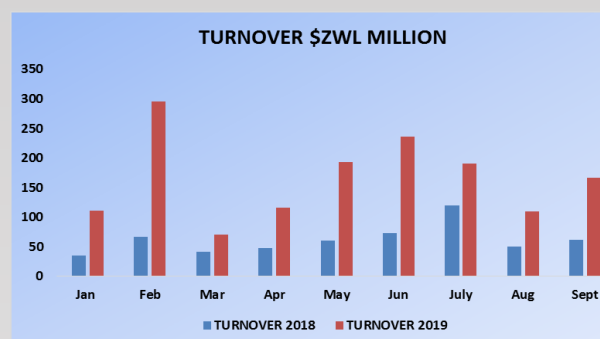
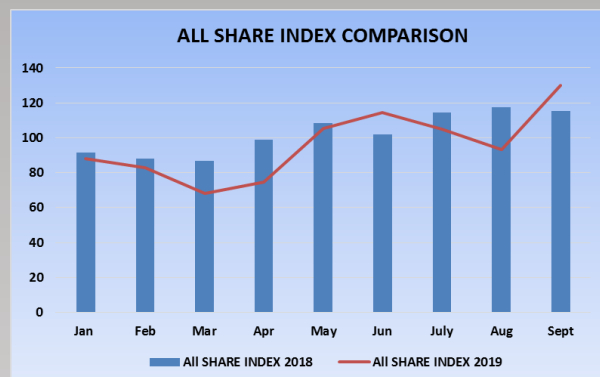
As part of the lobbying initiatives done by the exchange, the ZSE management team had the opportunity to discuss in detail how the exchange can promote financial inclusion and the upcoming projects that will aid in the upliftment of the economy.



## Listing Workshop for Stakeholders



## Market Highlights



The Botswana Stock Exchange (BSE) and the Zimbabwe Stock Exchange (ZSE) signed a Memorandum of Understanding (MoU) on 16 September 2019.

The MoU between the ZSE and BSE will establish a basis for co-operation to help foster the prosperity of financial markets, promote cross border investments, cross border listings and explore further opportunities for co-operation between the two institutions. The MoU will further promote the development of both capital markets.



## ZSE Investor Education Sessions

As part of the continuous efforts by the ZSE to promote financial inclusion and raise awareness to retail investors, the ZSE offers free investor education sessions to willing participants.

Participants range from secondary schools, universities and any group of persons who wish to learn about investing. Such sessions are open to all but are mostly taken up by educational institutions.

