



# ZSE INVESTORS GUIDE

## A. Introduction

So you have been wondering how you can invest on the stock exchange – below is a simple guide on how you can become a stock market investor.

### 1. Financial Status Check

Analyze your investment objectives, your income sources, constraints and risk tolerance. Ask yourself whether you are financially ready to invest in the stock market. Stock market investment is risky in that you could lose all the invested capital.

### 2. Open a Trading Account\*

Practically more than one account is required for you to invest in the stock market. Bundled under the term “trading account” comprises the following:

- A stockbroking trading account (with any of the current 15 stockbroking firms);
- A Central Securities Depository (“CSD”) (in this case, Chengetedzai Depository Company) account; and
- A custodial account (which could be provided by your stockbroker if they offer Broker controlled accounts or by one of the independent Custody companies).

## **2.1 How do you open the trading account?**

You open a trading account by completing and signing account opening forms at your preferred stockbroking firm. The stockbroker will collect/capture all the KYC documents required by the CSD and Custodian, which include:

- a) For individuals
  - copy of ID (passport for foreign investors)
  - proof of residence (utility bill within three month from date of processing in name of account holder or accompanied by affidavit from lessor, if renting); and
  - 2 passport size photos.
- b) For Companies/Trusts/Estates/NGOs
  - registration certificate;
  - list of directors/trustees (CR14 etc.)
  - registered office details (CR6)
  - directors/trustees' KYC (same as in Individuals)

NB\*– there are no charges to open a trading account.

## **3. Deposit investment funds with your custodian or stockbroker\***

If your stockbroker acts as your custodian (broker controlled account) you deposit funds into your stockbroker trust account and if you have an independent custodian from your stockbroker you deposit the funds into the custodian account.

NB\* - funds need to be deposited only when you intend to buy from the stock market.

## **4. Place orders with your stockbroker**

Once you have made a decision to buy or sell securities in the stock market, you need to contact your stockbroker and convey your desire emphasizing the type, quantity and limit price (if any) of the securities to be transacted. Other information like the time period the order will be valid is also required. You can ask your stockbroker for advice before placing an order.

## **B. Tips on Investing**

### **1. Have basic knowledge of available stock market products**

Find out what financial products are available in the market before investing. This information can be obtained from your stockbroker, the ZSE website or local financial publications.

### **2. Choose the right investments**

You should be able to analyze each available product and make a determination as to its investment potential. If you are unable to analyze or make investment selection, it is recommended that you seek assistance from your stockbroker or other professional financial advisors.

### **3. Be long term minded**

Stock market investment is for long term minded investors. Although short term gains and losses may be encountered, your investment decisions should be more long term focused. Being long term minded does not mean

keeping a blind eye to profitable short term opportunities that may not be repeated or keeping a blind eye to risk warning parameters that may hamper the investment's long term appeal.

#### 4. Diversify

The best way to minimize total risk while keeping return rates high is to diversify your investments across various investment products and within asset classes. Diversification simply means investing in more than one security or more than one asset class.

#### 5. Attend AGMs and company briefs

You should keep track of your investments and one way to do this is to follow stock market publications and attending company functions such as AGMs and briefings. That way you are kept informed of the developments within a company or an industry of interest.

#### 6. Make use of regulatory authorities

Where you are not sure or unhappy about investment matters, do not hesitate to contact the ZSE or the Securities and Exchange Commission of Zimbabwe ("SECZ") for clarification or to lodge a complaint.

### C. Transaction costs on the ZSE

The transaction costs levied on trading are currently as follows:

#### 1. Equities

	<b>Buying</b>	<b>Selling</b>
Brokers Commission	0.92%	0.92%
VAT (15% of brokerage)	0.138%	0.138%
CSD Levy	0.10%	0.10%
Stamp Duty	0.25%	Nil
ZSE Levy	0.10%	0.10%
SECZ Levy	0.16%	0.16%
Investor Protection Levy	0.025%	0.025%
Capital Gains tax	Nil	1%
Total	1.693%	2.443%
<b>Grand Total</b>	<b>4.136%</b>	

#### 2. Debt Securities

	<b>Buying</b>	<b>Selling</b>
Brokers Commission	0.065%	0.065%
VAT (15% of brokerage)	0.00975%	0.00975%
CSD Levy	0.01%	0.01%
ZSE Levy	0.012%	0.012%
SECZ Levy	0.01%	0.01%

Investor Protection Levy	0.003%	0.003%
Total	0.10975%	0.10975%
<b>Grand Total</b>	<b>0.2195%</b>	

#### D. ZSE Members/Stockbrokers

The following is the list of currently licensed stockbrokers/securities dealers\*:

<b>Stockbroker</b>	<b>Contact Details</b>	<b>Key trading contacts</b>
<b>ABC Stockbrokers (Pvt) Limited</b>	<b>Physical:</b> 1st Floor Heritage House, 67 Samora Machel Avenue, Harare, Zimbabwe <b>Postal:</b> Box 3321, Harare, Zimbabwe <b>Tel:</b> +263 4 703 071-9/ 701906	<b>Arnold Dhlamini:</b> Stockbroker/ Managing Director
<b>Akribos Securities (Pvt) Limited</b>	<b>Physical:</b> 62 Quorn Avenue, Mount Pleasant, Harare, Zimbabwe <b>Tel:</b> +263 4 301 422 / 301 201/3	<b>Edmond Mupfapairi:</b> Principal Broker
<b>Bethel Equities (Pvt) Limited</b>	<b>Physical:</b> No 23 Boundary Road, Eastlea, Harare <b>Postal:</b> Box 425, Harare, Zimbabwe <b>Tel:</b> +263 4 792 440/1/5, 792200	<b>Geoffrey Mhlanga:</b> Managing Director / Stockbroker
<b>EFE Securities (Pvt) Limited</b>	<b>Physical:</b> 26 Cork Road, Belgravia, Harare, Zimbabwe <b>Postal:</b> Box 2878, Harare, Zimbabwe <b>Tel:</b> +263 4 799 132-5	<b>Edgeton Tsanga:</b> Managing Director/Stockbroker
<b>FBC Securities (Pvt) Limited</b>	<b>Physical:</b> 2nd Floor, Bank Chambers, 76 Samora Machel Avenue, Harare, Zimbabwe <b>Postal:</b> Box 1227, Harare, Zimbabwe <b>Tel:</b> +263 4 797 760-78 / 700 312 / 704 627	<b>Benson Gasura:</b> Principal Broker / Managing Director
<b>Imara Edwards Securities (Pvt) Limited</b>	<b>Physical:</b> Block 2 Tendeseka Office Park, Samora Machel Avenue, Eastlea, Harare, Zimbabwe <b>Postal:</b> Box 1475, Harare, Zimbabwe <b>Tel:</b> +263 4 790790 / 164 / 888	<b>The dias Kasaira:</b> Stockbroker/ Managing Director
<b>Interhorizon Securities (Pvt) Limited</b>	<b>Physical:</b> 4 Fleetwood Road, Alexander Park, Harare, Zimbabwe <b>Tel:</b> +263 4 792 440/1/5, 792 200	<b>Daniel Chigairo:</b> Managing Director / Stockbroker

<b>Invictus Securities Zimbabwe (Pvt) Limited</b>	<b>Physical:</b> 37 Victoria Drive, Newlands, Harare, Zimbabwe <b>Postal:</b> P. O. Box CY 1237, Causeway, Harare, Zimbabwe <b>Tel:</b> +263 4 788257 / 2900536 / 776607	<b>Tinashe Magodora:</b> Principal Broker / Executive Director
<b>Lynton-Edwards Stockbrokers (Pvt) Limited</b>	<b>Physical:</b> 129 Kwame Nkrumah Avenue, Harare, Zimbabwe <b>Tel:</b> +263 4 796477 / 86	<b>O. Mazorodze:</b> Stockbroker – General Manager
<b>Mast Stockbrokers (Pvt) Limited</b>	<b>Physical:</b> Samuel Leon Building, 52 Josiah Chinamano Avenue Harare, Zimbabwe <b>Postal:</b> P O Box 10313, Harare, Zimbabwe <b>Tel:</b> +263 4 04 251446, 252439, 252594, 252538,	<b>Arnold Cuthbert Chibvongodze:</b> Trading
<b>MMC Capital (Pvt) Limited</b>	<b>Physical:</b> 22 Arundel Road, Alexandra Park, Harare, Zimbabwe <b>Postal:</b> Box BW1797, Harare, Zimbabwe <b>Tel:</b> +263 4 783 069-71	<b>Edward Mapokotera:</b> Stockbroker / Managing Director
<b>Old Mutual Securities (Pvt) Limited</b>	<b>Physical:</b> First Floor 3 Anchor House, 54 Jason Moyo Avenue, Harare, Zimbabwe <b>Postal:</b> BOX HR 1206, Causeway, Harare, Zimbabwe <b>Tel:</b> +263 4 779 473/5	<b>Reggies Mtambo:</b> Chief Dealer
<b>Platinum Securities (Pvt) Limited</b>	<b>Physical:</b> 23 Quorn Avenue, Mount Pleasant, Harare, Zimbabwe <b>Postal:</b> P.O. Box CY129, Causeway, Harare, Zimbabwe <b>Tel:</b> +263 4 307334, 307374, 307559, 307645, 336257/73	<b>Fidelis Chimhuka:</b> Managing Director
<b>Remo Investment Brokers Private Limited</b>	<b>Physical:</b> 14 Samora Machel Avenue, Harare <b>Tel:</b> +2634798725-30	<b>John Motsi:</b> Stockbroker
<b>Southern Trust Securities (Pvt) Limited</b>	<b>Physical:</b> 18B Lonsdale Road, Avondale, Harare, Zimbabwe <b>Postal:</b> Box CY1182, Causeway, Harare, Zimbabwe <b>Tel:</b> +263 4 702571, 702573, 797143,	<b>Zvisinei Nyakudya:</b> Managing Director

## **E. ZSE Contact Details**

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Email: [info@zse.co.zw](mailto:info@zse.co.zw)

Website: [www.zse.co.zw](http://www.zse.co.zw)