



ZIMBABWE STOCK EXCHANGE LIMITED

Practice Note 2

To the Securities and Exchange Rules, Statutory Instrument 134 of 2019
("ZSE Listing Rules")

Issued pursuant to section 3 (1) (h) of Statutory Instrument 134 of
2019 of the ZSE Listing Rules

PROCEDURES REGARDING INTERIM REPORTS AND REVIEW BY AUDITORS

1. Definitions

Terms used in this Practice Note which are defined or interpreted in the ZSE Listing Rules shall have the same meaning as in the ZSE Listing Rules.

2. Publication of Interim Reports and Audit Review

- 2.1. In line with section 35 (1) of ZSE Listing Rules, Issuers must publish half-year interim reports in the press or in electronic form. Issuers will be liable to a fine in accordance with the Twenty-sixth Schedule for failure to publish.
- 2.2. In line with section 38 (1) of ZSE Listing Rules, all unaudited half-year interim reports must be reviewed by the listed company's external auditors.

3. Application of the Rules

In addressing the requirements for Section 35 and Section 38 of the ZSE Listing Rules, Preparers and Auditors of financial statements are expected to comply with the International Financial Reporting Standards (IFRS), and International Standards on Review Engagements (ISREs), as prescribed by the Public Accountants and Auditors Board (PAAB) through Statutory Instrument 41 of 2019. The relevant standard for preparation of interim reports is International Accounting Standard (IAS) 34 and issuers are expected to comply with the following practices;

3.1. Quarters 1 and 3

1. A set of condensed financial statements (as described in IAS34) for an interim period must be;
 - (i) Published on the issuer's website, and;
 - (ii) Submitted to the ZSE for publication on the ZSE Data Portal,
2. Within 45 days after the end of the first quarter or third quarter of each financial year.

3.2. Half Year

1. A set of condensed financial statements (as described in IAS34) for a half year interim period and reviewed in accordance with the International Standards of Review Engagements (ISREs) 2410 as updated on 15 December 2006 must be;
 - (i) Published in the press or in electronic form, and;
 - (ii) Distributed to all shareholders.
2. The issuer must submit both sets of condensed and complete financial statements to the ZSE for publication on the ZSE Data Portal,
3. Within 3 months after the expiration of the first six-months of the financial year

4. Transitional Provisions

The following transitional arrangements are available to Issuers:

- (i). Quarterly Interim reports shall be prepared for financial periods ending on or after 30 September 2019.
- (ii). Half-yearly Interim financial reports shall be reviewed for financial periods ending on or after 31 December 2019.

5. Other Matters

- (i). All information communicated must follow the guidelines issued by the Public Accountants and Auditors Board (PAAB).
- (ii). Where the applicable ZSE Listing Rules require documents to be sent, submitted or forwarded to the Exchange they must be delivered to Issuer Regulations Department.

6. Effective Date

This Practice Note takes effect from 1 September 2019.

Issued by

Zimbabwe Stock Exchange Limited