



## **ZIMBABWE STOCK EXCHANGE LIMITED**

### **Practice Note 9**

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

### **PUBLICATION OF INTERIM FINANCIAL REPORTS FOR THE FIRST AND THIRD QUARTERS IN TERMS OF SECTION 35 (5)**

#### **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. Quarterly Interim Reports**

In line with section 35 (5) of ZSE Listing Rules, Issuers must publish first and third quarter interim reports on their websites and on the ZSE Data portal within a period of 45 days after the end of the reporting period.

#### **3. Representations by Issuers**

As per ZSE engagement policy, the Exchange received and considered a number of representations from issuers regarding full compliance with IFRS requirements in preparation of the first and third quarter reports, particularly, the associated additional costs of compliance.

#### **4. Exemptions**

As a result of the above, the ZSE has exempted full compliance for first and third quarter reports, for the time being, and now requires issuers to publish trading updates instead. The minimum contents of the trading update, which differ according to industry, are presented below.

For avoidance of doubt, industry sectors are as per Global Industry Classification Standards ("GICS") as published by the ZSE from time to time and available on the ZSE website [link](#).

## **5. Minimum Contents – FINANCIAL SERVICES**

**a) Trading Environment:** - Issuers are required to provide brief information on the following:

- i) Brief comments on the macro-economic environment
- ii) Effects of the policy changes (if any) to the business operations
- iii) Measures by the company to take advantage of or adapt to the macro-economic changes

**b) Financial Performance:**

- i) Issuers are required to disclose total income for the quarter with comparisons against the corresponding quarter of the previous reporting year;
- ii) Issuers in the financial services sector should disclose profit after income tax for the quarter and year to date.
- iii) Shareholders' funds should be disclosed as at the end of the quarter. If there are set regulatory capital requirements, compliance status with the same should be disclosed.
- iv) If the institution is a Holding Company, disclosure of SBU's compliance with regulatory capital requirements is required.

**c) Outlook**

- i) On the basis of (a) and (b) above, issuers are required to discuss the business outlook in light of the trading environment and current performance of the business.

**6. Other Information:**

- i) Issuers are not limited to the above disclosures but they form the minimum contents required of a trading update.
- ii) Disclosure of any other relevant information which is useful in aiding investment decisions is permissible.

**7.** In addition to the above, the ZSE may direct an issuer to provide additional information which it deems necessary.

**8.** This practice note is effective from 27 January 2020.

Issued by  
**Zimbabwe Stock Exchange Limited**