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PRESS RELEASE
**Publication of Exchange Control Regulations for Victoria Falls
Stock Exchange (VFEX)**

The Zimbabwe Stock Exchange Limited (“ZSE”) is pleased to advise all stakeholders that the Exchange Control (Special Provisions for Securities Listed on Victoria Falls Stock Exchange) Regulations have been published under Statutory Instrument 196 of 2020. The Statutory Instrument provides that securities listed on VFEX shall be traded solely in United States Dollars (USD) or any other convertible currency.

Local investors with free funds, as defined in Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) Regulations, 2019, published in Statutory Instrument 212 of 2019, will be able to invest on VFEX in addition to foreign investors.

Resident Zimbabwean companies listed on the ZSE will be permitted to list up to 20% of their capital on VFEX whilst Non-resident and non-ZSE listed entities will be permitted to list 100% of their capital on VFEX. Non-resident ZSE listed companies (or non-resident companies that delisted within the previous five (5) years) will be permitted to list on VFEX provided they commit to invest 20% of the capital raised in Zimbabwe within five (5) years.

Listing on VFEX will be in accordance with the VFEX listing rules as approved by the Securities and Exchange Commission of Zimbabwe (“SECZ”) and capital raised on VFEX may be held in an approved local or offshore account with an internationally recognised banking institution.

The clearing and settlement of transactions executed on VFEX shall be done by VFEX either locally or offshore in accordance with Clearing and Settlement rules as approved by SECZ and in consultation with the Reserve Bank of Zimbabwe (“RBZ”).

For any further information, you can email info@zse.co.zw

Justin Bgoni
Chief Executive Officer
Zimbabwe Stock Exchange Limited
Date of Issue: 04 August 2020

Exchange Control (Special Provisions for Securities Listed on
Victoria Falls Stock Exchange) Regulations, 2020

IT is hereby notified that His Excellency the President, in terms of section 2 of the Exchange Control Act [*Chapter 22:05*], has made the following regulations:—

1. These regulations may be cited as the Exchange Control (Special Provisions for Securities Listed on Victoria Falls Stock Exchange) Regulations, 2020.

2. (1) In these regulations—

“free funds” has the same meaning as that in the Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) Regulations, 2019, published in Statutory Instrument 212 of 2019;

“resident” in relation to a company resident in or outside Zimbabwe means incorporated, registered or domiciled in or outside Zimbabwe;

“securities” means securities as defined in the Securities and Exchange Act [*Chapter 24:25*];

“Securities Exchange” means the Victoria Falls Stock Exchange registered in terms of the Securities and Exchange Act [*Chapter 24:25*].

(2) Securities listed on the Victoria Falls Stock Exchange shall be tradable and settled solely in United States dollars or a convertible currency.

(3) A company that is—

- (a) a Zimbabwean resident; and
- (b) listed on the Zimbabwe Stock Exchange;

may list on the Victoria Falls Stock Exchange not more than twenty percent (20%) of its capital at any time on the Zimbabwe Stock Exchange:

Exchange Control (Special Provisions for Securities Listed on
Victoria Falls Stock Exchange) Regulations, 2020

Provided that any capital raised by such company on the Victoria Falls Exchange shall be from an offshore source or from free funds.

(4) A company that is non-resident company may list on the Victoria Falls Stock Exchange:

Provided that—

- (i) any capital raised by such company on the Victoria Falls Stock Exchange is from an offshore source or from free funds;
- (ii) a non-resident company that had delisted from the Zimbabwe Stock Exchange in the five years preceding its listing on the Victoria Falls Stock Exchange shall reinvest or employ in Zimbabwe 20% of the capital raised on the Victoria Falls Stock Exchange no later than five years from the date that it was raised.

(5) A company that is—

- (a) a Zimbabwean resident; and
- (b) not listed on the Zimbabwe Stock Exchange;

may apply for a listing on the Victoria Falls Stock Exchange:

Provided that—

- (i) any capital raised by such company on the Exchange shall be from an offshore source or from free funds;
- (ii) at least 20% of such capital shall be re-invested or employed in Zimbabwe no later than five years from the date that it was raised.

(6) A company shall list on the Victoria Falls Stock Exchange in accordance with Listing Rules approved by the Securities and Exchange Commission.

(7) Any capital which is raised by a company listed on the Victoria Falls Stock Exchange may be held in an approved local or offshore account with an internationally recognised banking institution.

(8) The clearing and settlement of transactions executed on the Victoria Falls Stock Exchange shall be done by the Victoria Falls Stock Exchange, locally or offshore in accordance with Clearing and Settlement Rules approved by the Securities and Exchange Commission, in consultation with the Reserve Bank of Zimbabwe.

