

Securities (Registration, Licensing and Corporate Governance)
Rules, 2022 (No. 4)

IT is hereby notified that the Minister of Finance and Economic Development has, in terms of section 118(6) of the Securities and Exchange Act [*Chapter 24:25*], approved the following rules made by the Securities and Exchange Commission of Zimbabwe:—

1. These regulations may be cited as the Securities (Registration, Licensing and Corporate Governance) Rules, 2022 (No. 4).

2. The Securities (Registration, Licensing and Corporate Governance) Rules, 2010, published in Statutory Instrument 100 of 2010 (hereinafter called “the principal rules”), is amended by the repeal of section 1 and the substitution of—

“Title

1. These rules may be cited as the Securities and Exchange (Registration, Licensing and Corporate Governance) Rules, 2010.”.

3. Section 28 (“Interpretation in Part IV”) of the principal rules are amended by the insertion of the following definition—

“Financial Intelligence Unit” or “FIU” means the unit of that name established in terms of the Money Laundering and Proceeds of Crime [*Chapter 9:24*];

“registered client”, in relation to a client of a holder of a securities dealer’s licence, means a person for whose benefit the holder has opened a trading account;”.

4. The principal rules are amended by the insertion of the following rules after rule 32—

*“Certain activities prohibited in the operation of trust
accounts*

32A.(1) Where a holder of a securities dealer’s licence receives funds in his or her trust account from a person (the “non-client”) who is not registered with him or her as a client, the holder shall (whether or not the identity of the non-client is known to him or her) immediately report that fact to—

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- (a) the Financial Intelligence Unit (FIU) and the relevant exchange; and
- (b) in accordance with the instructions of the FIU—
 - (i) retain the funds pending forfeiture proceedings if the FIU informs the holder that there is a reasonable suspicion that the funds represent the proceeds of a serious offence as defined in the Money Laundering & Proceeds of Crime [Chapter 9:24]; or
 - (ii) return the funds to the non-client if the FIU informs the holder that there is no such suspicion as is mentioned in subparagraph (ii).

(2) A holder of a securities dealer's licence shall not execute any trades on a securities exchange—

- (a) at the behest of a non-client; or
- (b) at the behest of a registered client on behalf or for the benefit or to the credit of a non-client or another registered client.

(3) A holder of a securities dealer's licence shall not transfer funds from one trading account to another (whether or not such funds are routed through the holder's trust account, and whether or not the holder is instructed by any of his or her registered clients to do so), unless the transfer is to a trading account belonging to the same registered client.

(4) Whenever money deposited in the trust account of a holder of a securities dealer's licence becomes payable to any registered client, the holder shall pay the money within the trading and payment times prescribed by the relevant securities exchange to the registered client entitled to it and to no other person.

(5) Any holder of a securities dealer's licence who fails to comply with subsection (1), (2), (3), or (4) shall be guilty of an offence and liable to the penalties prescribed in rule 42.

Powers of securities exchanges

32B. (1) Every holder of a securities dealing licence shall grant continuous access through electronic means, to a securities

exchange, of its bank accounts, trust accounts and back office ledgers.

(2) Within two days after being required to do so by a securities exchange, a securities dealing firm shall provide reports in connection with its licensed activities to a securities exchange in a manner and format as requested.

(3) Within two days after being required to do so by a securities exchange, a securities dealing firm shall furnish the securities exchange with signed statements issued by each bank, building society or other institution at which the securities dealing firm keeps a trust account, certifying the amount standing to the credit or debit, as the case may be, of the account at such date as a securities exchange may specify.

(4) A securities dealing firm shall at least once in each calendar year submit to a securities exchange an audit certificate in Form No. 14 signed by a securities dealing firm's auditor within one month after the annual audit or three months after year end whichever is earlier, of the trust books of account of the securities dealing firm.

(5) A central securities depository shall furnish a securities exchange with the following records, accounts and documents as and when requested by a securities exchange—

- (a) a register of the depository's representatives and participants; and
- (b) statistical information on depository, clearing and settlement activities; and
- (c) a register of all account holders; and
- (d) the depository's audited annual accounts; and
- (e) financial records of all the depository's transactions; and
- (f) any other records accounts and documents that a securities exchange may reasonably request.

(6) A central securities depository shall immediately report to a securities exchange whenever there is a default on settlement and delivery of securities.

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(7) Any person who fails to comply with subsection (1), (2), (3), (4), (5) or (6) shall be guilty of an offence and liable to the penalties prescribed in rule 42.

5. The Second Schedule to the principal rules is amended in Part II (Levies) by the repeal of paragraph 1 and the substitution of the following—

“Securities Market Levies

1. (1) The charges applicable to transactions at a securities exchange, for securities purchased and sold within 270 days from the date of purchase, for the period from the date of publication, are categorised in the Table below.

Charge	Buying	Selling
Brokerage fee	0.7650%	0.7650%
Securities and Exchange Commission of Zimbabwe	0.2000%	0.2000%
Zimbabwe Stock Exchange Levy	0.2500%	0.2500%
Central Securities Depository Levy	0.1000%	0.1000%
Stamp duty	0.2500%	-
Capital Gains withholding Tax	-	4.0000%
Investors Protection Levy	0.0250%	-
VAT 14.5% on Brokerage)	0.1109%	0.1109%
Total Costs of Buying and Selling	1.7009%	5.4259%
Total Costs for Buying and Selling	7.1268 %	

(2) The charges applicable to transactions at a securities exchange, for securities purchased and sold after 270 days from the date of purchase, for the period from the date of publication are categorised in the Table below.

Charge	Buying	Selling
Brokerage fee	0.7650%	0.7650%
Securities and Exchange Commission of Zimbabwe	0.2000%	0.2000%
Zimbabwe Stock Exchange Levy	0.2500%	0.2500%
Central Securities Depository Levy	0.1000%	0.1000%
Stamp duty	0.2500%	-

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Charge	Buying	Selling
Capital Gains withholding Tax	-	1.5000%
Investors Protection Levy	0.0250%	-
VAT 14.5% on Brokerage)	0.1109%	0.1109%
Total Costs of Buying and Selling	1.7009%	2.9259%
Total Costs for Buying and Selling	4.6268%	

