

Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) (Amendment) Rules, 2022 (No. 1)

IT is hereby notified that the Securities and Exchange Commission of Zimbabwe has, in terms of section 65(3) of the Securities and Exchange Act [*Chapter 24:25*], approved the following rules:—

1. These rules may be cited as the Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) (Amendment) Rules, 2022 (No. 1).

2. The Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2019, published in Statutory Instrument 134 of 2019, are amended—

(a) by the deletion of Part XVIII and the substitution of—

“PART XVIII

Listing and other Fees

379. The ZSE charges certain fees relating to the following—

- (a) listing fees;
- (b) annual listing fees;
- (c) documentation fees;
- (d) ruling fees;
- (e) sponsor fees; and
- (f) fees applicable to authorised advisors;

details of these fees, the bases for calculating them and when they are payable are as per the Twenty-Third Schedule.”;

(b) by the deletion of the Twenty-Third Schedule and the substitution of—

“TWENTY THIRD SCHEDULE (*Section 379*)

1. Equity and REIT Listing Fees (Excluding VAT)

1.1 Initial Listing Fees (ZWL)

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- 0.05% of the value of securities subject to a minimum fee of \$2 500 000,00 and maximum fee of \$25 000 000,00.

1.2 Annual Listing Fees

The annual listing fees, depending on the market capitalization, shall be as follows:

Tier	Market Capitalization		
	Lower	Upper	Fee
	ZWL	ZWL	ZWL
1	-	500 000 000	2 362 500
2	500 000 001	2 500 000 000	3 780 000
3	2 500 000 001	5 000 000 000	5 901 000
4	5 000 000 001	10 000 000 000	7 113 750
5	10 000 000 001	15 000 000 000	8 925 000
6	15 000 000 001	20 000 000 000	12 600 000
7	20 000 000 001	25 000 000 000	14 175 000
8	25 000 000 001	35 000 000 000	16 800 000
9	35 000 000 001	50 000 000 000	18 637 500
10	50 000 000 001	75 000 000 000	19 950 000
11	75 000 000 001	100 000 000 000	21 000 000
12	100 000 000 001	-	22 050 000

1.3 Additional Listing Fees

- 0.05% of the value of securities subject to a maximum fee of \$20,000,000, prorated from the date of listing to the next billing date.

Notes:

The monetary value of securities for which application for listing is made will be determined as follows:

- (i) the number of securities for which application for listing is made multiplied by the price per security; and

- (ii) in respect of capitalisation issue, where no market related price is attributable to the securities to be listed, they will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the declaration date; and
- (iii) in respect of introductions, where no price is attributable to the securities, they will be deemed to have a value calculated by multiplying the number of securities listed by the closing price on the first day of trading; and
- (iv) in respect of each class of security listed, an annual listing fee shall be payable (except during the calendar year in which the first listing of securities is granted) based on the market capitalization value as at 30th November of the preceding year; and
- (v) The initial, annual and additional listing fees will be reviewed on a quarterly basis on 31st March, 30th June and 30th September.

2. Debt Listing Fees (Excluding VAT)

2.1 Initial Listing Fees

Initial listing fees for debt securities be charged as follows:

Nominal Value of Debt Instrument (ZWL)		Fee per new Listed Instrument/ Programme (ZWL)
Min	Max	
-	200 000 000,00	240 000,00
200 000 001,00	500 000 000,00	480 000,00
500 000 001,00	1 000 000 000,00	720 000,00
1 000 000 001,00	2 000 000 000,00	960 000,00
2 000 000 001,00	3 000 000 000,00	1 200 000,00
3 000 000 001,00	4 000 000 000,00	1 500 000,00

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Nominal Value of Debt Instrument (ZWL)		Fee per new Listed Instrument/ Programme (ZWL)
Min	Max	
4 000 000 001,00	5 000 000 000,00	1 800 000,00
5 000 000 001,00	7 000 000 000,00	2 400 000,00
7 000 000 001,00	10 000 000 000,00	3 000 000,00
10 000 000 001,00	-	3 600 000,00

Where listing is done through a number of tranches, the first 5 tranches issued under a programme in a year will be billed at \$100,000 per tranche. The next ten tranches will be billed at \$50,000 per tranche, and all tranches in excess of twenty under a programme in a year will be billed \$25,000 per tranche.

2.2 Annual Listing Fees

- Annual listing fees for debt securities shall be charged at 0.0125% of the outstanding amount subject to the following:
 - Minimum - \$200 000,00
 - Maximum - \$3 600 000,00

Notes:

- (i) If the legal entity issuing a bond is already listed on the ZSE then the issuer will pay 50% of the Applicable Annual Debt Listing Fees.
- (ii) The initial and annual debt listing fees will be reviewed on a quarterly basis on 31st March, 30th June and 30th September.

3. Exchange Traded Products Listing Fees (Excluding VAT)

3.1 Initial Listing Fees

Item	Fee (ZWL)
ETF	ETFs will only be charged the documentation fee on listing*
ETN	ETN will only be charged documentation fee on listing*

* see document review section

3.2 Annual Listing Fees

Item	Fee (ZWL)
ETF	0.025% of the market capitalization subject to a maximum of ZWL 7,500,000
ETN	0.0125% of the value subject to a maximum of ZWL 3,600,000.

Notes:

- (i) In respect of each class of security listed, the annual listing fee shall be payable (except during the calendar year in which the first listing of securities is granted) based on the market capitalization value as at 30th November of each year.
- (ii) The initial and annual Exchange Traded Product listing fees will be reviewed on a quarterly basis on 31st March, 30th June and 30th September.

4. Document Review Fees (Excluding VAT)

Category	ZWL
Articles of association	
per new listed company	60,000
per subsidiary of a listed company	40,000
re-examination fee, per company	40,000
*minor amendments	20,000
Debenture trust deed	
per new trust deed	60,000
re-examination fee of existing deed requiring securities holders approval	40,000
minor amendments of existing deed not requiring securities holders approval	20,000
Share incentive/option scheme	
new scheme	100,000

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Category	ZWL
amendment fee of existing scheme (requiring shareholder approval)	80,000
minor amendments of existing scheme not requiring shareholder approval	50,000
New listing Includes pre-listing statement, excludes articles of association, debenture trust deeds and shares incentive/option schemes	1,000,000
Rights offers, renounceable offers and claw-back offers Includes circular on pre-listing statement, letter of allocation and underwriting agreement(s); if offer is in conjunction with a listing of a new company by way of renounceable offer, the fees payable as per above will be in addition of this fee	600,000
Company reconstruction- Schemes of Arrangements with Creditors and Members Includes circular and pre-listing statement; Excludes re-examination of articles of Association, debenture trust deeds, Share incentive/option scheme	600,000
Acquisition/Disposal/Mandatory offer	
Circular	600,000
Capital restructure	
Circular	600,000
Issue for cash	
Circular	600,000
Odd lot offer	

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Category	ZWL
Circular	600,000
Consolidation/sub-division	
Circular	600,000
Capitalisation issues	
Circular(ordinary)	600,000
Circular(fractional entitlement)	600,000
Change of name	90,000
Related Party Transaction	750,000
Scrip dividend	60,000
Share Capital- cancellation or withdrawal of securities	60,000
Share Capital – Increase	60,000
Share Capital – Par Value Amendment	60,000
Termination of listing	750,000
Unbundling	750,000
Debt Securities	
Placing document, Offering circular Programme memorandum	600,000
Pricing supplement	100,000
Amendment to Programme	500,000
Amendment to Pricing Supplement	80,000
ETF/ETN prospectus/prelisting statement/placing document	800,000
Review of amendments to ETF/ETN circulars (per each review)	100,000
Index ground rules review	50,000

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Category	ZWL
Trust deed review	
per new trust deed	60,000
re-examination fee of existing deed requiring securities holders approval	40,000
minor amendments of existing deed not requiring securities holders approval	20,000
New Listing – SPAC	800,000
Exercise of options	20,000
Fairness opinion	100,000
Reviews requiring responses, rulings and decisions within less than 24 hrs from the date of submission	100,000

Document review fees will be reviewed quarterly on 31st March, 30th June and 30th September.”;

- (c) by the deletion of the Twenty-Sixth Schedule and the substitution of—

“TWENTY SIXTH SCHEDULE (*Sections 3, 28, 33, 34, 35, 37, 40, 68 and 146*)

26.1 (a) Late Submission of audited annual accounts:

ZSE shall make a public announcement of issuers that have not submitted or published audited accounts within 30 days from the due date. The full costs of the public announcement shall be borne by the issuers who would not have submitted or published accounts within the period prescribed in Part IV of these Rules.

- A penalty of ZWL 2,000,000 shall be payable by every issuer that fails to publish audited accounts within ninety days subsequent to the year end. The penalty shall be payable within 30 days from the due date and thereafter the penalty shall accrue at the rate of ZWL 10,000 per day for a maximum of 30 days following which further action will be taken as provided in Part IV.
- (b) Late Submission of Interim Accounts:
- ZSE shall make a public announcement of issuers that have not submitted or published audited accounts within 30 days from the due date. The costs of the public announcement shall be borne by the issuers who would not have submitted or published accounts within the period prescribed in Part IV of these Rules.
 - A penalty of ZWL 1,000,000 shall be payable by every issuer that fails to comply. The penalty shall be payable within 30 days from the due date and thereafter the penalty shall accrue at the rate of ZWL 50,000 per day for a maximum of 30 days following which further action will be taken as provided in Part IV.
- (c) Late notification of material information or disclosures:
- Where an issuer has failed to make immediate public disclosure of information that may reasonably be expected to have material effect on market activity in and prices of its securities, within 24 hours of the event,

ZSE shall issue a letter of censure to the defaulting issuer requiring the issuer to make such an announcement.

- Where more than 7 days lapse between the occurrence of the event and the date of the announcement, the defaulting issuer shall be liable to a fine of ZWL 600,000 and thereafter the fine shall accrue at the rate of ZWL 10,000 per day until the public announcement is made.
 - Where the issuer fails to make a public announcement within 10 days of the event, the ZSE shall suspend trading of securities of the issuer for a period considered appropriate and restoration to trading of such securities shall be subject to a fine of ZWL 20,000,000.
- (d) Publication of information without ZSE approval:

The information that requires ZSE approval before publication is detailed in the Nineteenth Schedule as well as stated in the ZSE Listings Rules. When in doubt, the issuer shall consult the ZSE. Where an issuer publishes information without ZSE's prior approval, the following actions apply:

- A. ZSE shall issue a censure letter to the defaulting issuer.
- B. ZSE shall publish an announcement about the event within five days. The costs shall be borne by the defaulting issuer.
- C. ZSE shall require the defaulting issuer to make an announcement

- retracting the information that has been published without ZSE approval within five calendar days.
- D. The defaulting issuer shall be liable to a fine of ZWL 600,000 and thereafter the penalty shall accrue at the rate of ZWL 20,000 per day until the announcement is made by the issuer.
- (e) Late submission of Annual Report to the ZSE:
- A. ZSE shall issue a censure letter to the defaulting issuer.
- B. ZSE shall publish an announcement about the event within 10 days prior to the AGM. The costs shall be borne by the defaulting issuer.
- C. The defaulting issuer shall be liable to a fine of ZWL 600,000.
- (f) Non-notification on change of directors and executive management:
- A. ZSE shall issue a censure letter to the defaulting issuer.
- B. The defaulting issuer shall be liable to a fine of ZWL 40,000.
- (g) Late submission of Certificate of Compliance:
- A. ZSE shall issue a censure letter to the defaulting issuer.
- B. The defaulting issuer shall be liable to a fine of ZWL 40,000.
- (h) Trading during closed periods:
- A. ZSE shall publish an announcement and notify the Securities and

Exchange Commission of Zimbabwe about the event within five days after completing its investigations.

- B. The director or employee who trades during the closed period shall be liable to paying a fine equivalent to 10 *per centum* of the gross value of the deal (subject to a minimum of ZWL 600,000) to the ZSE.
- (i) Non-declaration on directors' trading:
- A. ZSE shall publish an announcement and notify the Securities and Exchange Commission of Zimbabwe about the event within five days after completing its investigations.
- B. The director or employee who fails to declare trades shall be liable to paying a fine equivalent to 10 *per centum* of the gross value of the deal (subject to a minimum of ZWL 600,000) to the ZSE.
- (j) Publication of misleading information:
- ZSE shall publish an announcement about the event within 5 days after completing its investigations. The costs shall be borne by the defaulting issuer.
 - ZSE shall require the defaulting issuer to make an announcement retracting the information that has been published without ZSE approval within five calendar days after ZSE has completed its investigations.

- ZSE may apply for the suspension of the issuer's shares from trading.
 - The issuer shall be fined ZWL 25,000,000 if found guilty.
 - Direct loss made by any member of the public due to the misinformation shall be recoverable from the company.
- (k) Late announcement of declaration of dividends or interests payments:
- Where an issuer makes a late declaration or declarations have been notified without complying with these rules as required by section 34, it shall be liable to a fine not exceeding level 11.
- (l) Late payment of dividend or interest in terms of section 34 (11)–10 *per centum* of the total dividend declared.

Offences by sponsoring brokers

26.2.—

- (a) A sponsor who fails for more than two times on any given transaction to submit a set of correct and complete documents in terms section 20(3) will bear the cost of lodging documents for the third and any subsequent time.
- (b) Where there has been a conflict of interest in breach of the Sixteenth Schedule, a sponsor shall be deregistered.
- (c) Where there has been a breach of confidentiality in terms of the Sixteenth Schedule, a sponsor shall be deregistered.”

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26.3 The fines and penalty charges will be reviewed on a quarterly basis on 31st March, 30th June and 30th September.”.