

PUBLIC NOTICE NO.CSD24/12/10

**PRESS STATEMENT ON THE ANNOUNCEMENT OF THE WINNING
BIDDER FOR THE ESTABLISHMENT OF THE CENTRAL SECURITIES
DEPOSITORY AND SETTLEMENT SYSTEM**

1. The Securities Commission of Zimbabwe (SECZ) is mandated in terms of the Securities Act [Chapter 24:25] to approve the establishment of a Central Securities Depository. In terms of section 69 of the Act, any person may establish a central securities depository under a scheme that is approved by the Commission. Section 15 of the same Act empowers SECZ to establish Panels and working groups for the better exercise of its functions.
2. Guided by the above provisions in the Securities Act, SECZ is facilitating the establishment of a national Central Securities Depository and Settlement System. A Committee comprising representatives from the following organisations was set up and mandated to initiate the process ;
 - Securities Commission of Zimbabwe
 - Zimbabwe Stock Exchange
 - Reserve Bank of Zimbabwe
 - Transfer Secretaries
 - Asset Managers and

- Ministry of Finance
3. SECZ floated a tender on the Expression of Interest for the establishment of the CSD to accord any person an opportunity to present a scheme for consideration. The tender period ran from the 16th of April to the 17th of May 2010.
 4. Conflicted parties in the CSD Committee were recused leading to the establishment of the CSD Technical Adjudication Committee which comprised representatives from the;
 - Securities Commission of Zimbabwe
 - Reserve Bank of Zimbabwe
 - Ministry of Finance
 - University of Zimbabwe- ICT Expert
 - A Legal Practitioner
 5. The following four consortia submitted tender documents:
 - Chengetedzai Depository Company Limited
 - Zimbabwe Central Securities Depository Company
 - CDF Trust
 - Land Fortune Farming Limited
 6. Camelsa Chartered Accountants were engaged to observe the opening of tenders on the 18th of May 2010.
 7. SECZ engaged the services of Ernst & Young Chartered Accountants(E&Y) to carry out an independent evaluation of the Expressions of Interest. The E&Y evaluation process was divided into two phases:
 - i. Preliminary elimination

ii. Due Diligence on shortlisted bidders

8. The E&Y preliminary elimination stage saw CDF Trust and Land Fortune Farming Limited being eliminated, while Chengetedzai Depository Company and Zimbabwe Central Depository Company progressed to the due diligence on shortlisted bidders phase.
9. E&Y conducted a due diligence on the shortlisted bidders scoring each bidder based on a pre-defined criteria. E&Y produced a due diligence report which was presented to the CSD Committee. Chengetedzai Depository Company and Zimbabwe Central Depository Company progressed to the CSD Phase 2 Request For Proposal (RFP) stage.
10. SECZ issued RFP CSD/01/2010 for the establishment and commissioning of a CSDS System. The closing date for submission of the RFP bids was the 20th of October 2010. RFP proposals were received from Chengetedzai Depository Company and Zimbabwe Central Depository Company.
11. The opening of the RFP documents took place at SECZ offices on the 21st of October 2010 at 12.00 hours. Deloitte & Touché were appointed to oversee the process.
12. Based on the criteria stipulated in the RFP document an independent, structured assessment of technical RFP bids was performed by an independent consultant from SumbionAG (Switzerland) and the SECZ evaluation team during the week of 29 November 2010. The two bidders were scored based on the technical evaluation of each bid against the requirements specified in the RFP document.

13. The independent SumbionAG consultant then presented the CSD Phase 2 RFP Bid evaluation report to the Securities Commission of Zimbabwe and the CSD committee. The report included CSD Phase 2 bid scores for each bidder.
14. SECZ consolidated scores from the Phase 1 Expressions of Interest evaluation and the Phase 2 RFP bid evaluation to produce a report on the overall CSD bid evaluation.
15. The CSD evaluation results were presented to and accepted by the SECZ board which resolved to award the CSD establishment bid to the Chengetedzai Depository Company.

FOR AND ON BEHALF OF THE SECURITIES COMMISSION OF
ZIMBABWE

A.D. CHIRUME

Chief Executive Officer