

PUBLIC NOTICE 001/04/2010

NOTICE ON CENTRAL SECURITIES DEPOSITORY RULES - 2010

The Securities Commission of Zimbabwe (SECZ) has released the first draft of the proposed Central Securities Depository (CSD) Rules 2010. CSD ensures simultaneous transfer of shares from the seller to the buyer and vice-versa. It facilitates for the holding of securities and enables securities transactions to be processed by book entry. The proposed Rules focus on CSD and Nominee compliance, the CSD agents, the CSD guarantee fund, Insurance and other provisions.

The CSD therefore brings efficiency and convenience to inventory, by facilitating the transfer or pledge of securities without the need for physical movement of paperwork. The proposed Rules form the basis on which CSD may hold securities, either certified or non-certified (dematerialised) to enable book entry transfer of securities and provides guidance for individuals and companies who will be trading.

The draft Rules are being distributed in order to get comments from the market, which will be incorporated into the final document.

So far, the draft Rules have been distributed to the Zimbabwe Stock Exchange, Stockbrokers and Investment Managers to ensure easy access by any person.

Submissions or comments on the proposed Rules can be made over fourteen days beginning on Monday 12 April to 26 April, 2010. All submissions shall be reviewed and suggested amendments to the Rules may be incorporated where the Commission deems it necessary.

Thereafter, the CSD Rules will be submitted to the Commission's draftmen for finalisation, before submission to the Ministry of Finance for approval and publication.

The advertisement has been placed by SECZ in its quest to strengthen the integrity and soundness of the securities market to protect investors, maintain fair, transparent, orderly and efficient markets.

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12 April 2010