

Registration/Licensing of Independent Investment Advisors

The Securities and Exchange Commission (SECZ) is a statutory body established in terms of section 3 of the Securities and Exchange Act, to provide high levels of investor protection, to prevent market manipulation, fraud and financial crime and to promote the integrity of the markets, among other things. The Commission also administers the Asset Management Act [Chapter 24:26] and the Collective Investment Schemes Act [Chapter 24:19] following the transfer of the regulation of the licensees, registrants and their businesses under these Acts from the RBZ to SECZ. This was achieved through the Amendment Act to the Securities and Exchange Act, with effect from 30 August 2013.

It is the mandate of the Commission in terms of the Securities and Exchange Act, the Asset Management Act and the Collective Investment Schemes Act to ensure that all persons who deal in investments products are registered/ licensed. Anyone who conducts licensable activities without authorisation from SECZ does so illegally, in terms of the enabling legislation.

The purpose of licensing/registration is to safeguard and protect the public's assets when they make investments into securities. Consumers who invest in products or deal with entities that are registered by SECZ enjoy the safeguards provided under the laws. The Commission ensures that only fit and proper persons are recognised through licensing/registration and have a right to deal with the public. Licensed entities are required to adhere to the legal, ethical, moral and professional standards of the industry that offer investors better protection.

Entities extending the services below to the investing public fall under the regulatory purview of the SECZ and are therefore required to register with and be regulated/licensed by the SECZ:

- i. Offshore structured investment products;
- ii. Financial planning and placement of offshore investment funds;
- iii. Advice to the investing public on investments into offshore mutual funds;
- iv. Investment advice, promotion, and portfolio management.

It is an offence in terms of section 5 of the Collective Investment Schemes Act to operate a collective investment scheme which is not registered by the Commission. Only registered schemes are allowed to invite persons to become participants in a collective investment scheme, give advice, manage or operate a collective investment scheme in Zimbabwe. The Commission will cause the prosecution all persons who operate/manage unregistered schemes.

Local operators should therefore take this opportunity to register and in the meantime, SECZ is working with foreign regulators to establish the authenticity of such agents and the products they offer.

Applications, together with supporting documents should be lodged with the Commission at the latest by the 31st of December 2014. Application forms can be obtained at www.seczim.co.zw or securitiescommission@seczim.co.zw or at SECZ offices at 20 York Avenue Newlands Harare.

Members of the public are advised to deal only with registered entities. A list of the entities regulated by the Commission, and the types of services they are authorised to provide, is available on the SECZ website at www.seczim.co.zw. The investing public should always ask for proof of legitimacy of the agent and should report to SECZ when offered any investment product by an unregistered person. The SECZ's email address is securitiescommission@seczim.co.zw.

Members of the public are advised not to deal with unlicensed persons as they risk losing their hard earned money.

Be guided accordingly.

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