



INTERNAL ORGANISATION OF THE RHODESIAN STOCK EXCHANGE

This week we shall focus on the internal organisation of the Rhodesian Stock Exchange (RSE). The capital for the formation of the RSE was raised by the sale of proprietary rights. On formation, the RSE was made up of about 22 practicing and 9 non-practising members.

RSE Membership Requirements

Membership to the RSE required that one meets the following:

- Members of the RSE had to hold at least four but not more than 8 rights.
- Non-broker members had to hold at least two but not more than four rights.
- All members of the RSE had to be above 21 years of age.
- All members had to be British (the race issue was silent but was a strictly followed rule that all members had to be white).

Responsibilities of the Stock Exchange Committee

The Stock Exchange Committee was made up of 7 members of the exchange of which two of these could be non-practising members who helped found the exchange. The committee was responsible for the following:

- Overseeing and supervising the affairs of the exchange.
- Deciding on the modes and conditions that stock exchange business was to be transacted.
- Ensuring that the RSE rules were strictly adhered to.
- Ensuring that the public was protected from any dishonesty by brokers.
- Receiving and assessing applications for RSE membership.
- Assessing and approving applications for quotation.

RSE Rules and Regulations

The rules and regulations of the RSE were adopted from the Johannesburg Stock Exchange (JSE) rules, with minor modifications. The RSE rules covered all aspects from members' rules to provisions on the sureties and trustees of broking firms. The parameters according to which the business on the Exchange was to be transacted were clearly laid out. Every bargain had to be fulfilled according to the rules and regulations of the Stock Exchange. Trading of shares not quoted on the exchange was strictly prohibited. While the rules covered the normal trading practices sufficiently, they were silent on insider trading. The rules did not lay down the information that the listed companies had to make available to the public. This was an impediment to the free access to information therefore negatively affected the Exchange's level of efficiency.

UPCOMING AGMs

Thursday July 16

- BAT AGM (10am, Cresta Lodge, Msasa)
- African Sun virtual AGM (12pm)

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