

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 (hereinafter referred to as the “principal rules”), are amended—

(a) by the repeal 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 repeal of the Twenty-Third Schedule and the substitution of—

“TWENTY-THIRD SCHEDULE (*Section 379*)

- 1. All fees and penalties are pegged to the United States Dollars (USD) and may be payable at the prevailing exchange rate on the date of payment.

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2. The fees will be payable quarterly at the prevailing exchange rate on the date of payment.

3. Equity and REIT Listing Fees (Excluding VAT):

3.1 Initial Listing Fees (USD):

- 0.05% of the value of securities subject to a minimum fee of USD 5 500 and a maximum fee of USD 67 300.

3.2 Quarterly Listing Fees:

The quarterly listing fees, depending on the market capitalization, shall be as follows—

Tier	Market Capitalization		
	Lower	Upper	Fee
	USD	USD	USD
1	-	785 000	5 400
2	785 001	3 900 000	8 200
3	3 900 001	7 800 000	12 800
4	7 800 001	15 700 000	15 300
5	15 700 001	23 600 000	19 300
6	23 600 001	31 400 000	27 200
7	31 400 001	39 300 000	30 600
8	39 300 001	55 100 000	36 300
9	55 100 001	78 700 000	40 500
10	78 700 001	118 100 000	43 400
11	118 100 001	157 400 000	45 400
12	157 400 001	-	50 000

3.3 Additional Listing Fees:

- 0.05% of the value of securities subject to a maximum fee of USD43 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

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- (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, 30th September and 31 December.

4. Debt Listing Fees (Excluding VAT):

4.1 Initial Listing Fees.

4.2 All fees and penalties are pegged to the United States Dollars (USD) may be payable at the prevailing exchange rate on the date of payment.

Initial listing fees for debt securities be charged as follows—

Nominal Value of Debt Instrument (USD)		Fee per new Listed Instrument/Programme (USD)
Min	Max	
-	314 900	2 000
314 901	780 000	4 300
780 001	1 500 000	6 200
1 500 001	3 100 000	8 200
3 000 001	4 700 000	10 500
4 700 001	6 300 000	13 000

Nominal Value of Debt Instrument (USD)		Fee per new Listed Instrument/Programme (USD)
Min	Max	
6 300 001	7 800 000	15 600
7 800 001	11 000 000	20 700
11 000 001	15 700 000	25 800
15 700 001	-	31 000

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Where listing is done through a number of tranches, the first 5 tranches issued under a programme in a year will be billed at USD 1 000 per tranche. The next ten tranches will be billed at USD 500 per tranche, and all tranches in excess of twenty under a programme in a year will be billed USD 250 per tranche.

4.3 Annual Listing Fees:

Annual listing fees for debt securities shall be charged at 0.0125% of the outstanding amount subject to the following—

- o Minimum – USD 1 900
- o Maximum – USD 3 300

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, 30th September and 31st December.

5. Exchange Traded Products Listing Fees (Excluding VAT):

5.1 Initial Listing Fees:

Item	Fee (USD)
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

5.2 Annual Listing Fees

Item	Fee (USD)
ETF	0.025% of the market capitalization subject to a maximum of USD 64 500
ETN	0.0125% of the value subject to a maximum of USD 31 200

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.

6. Document Review Fees (Excluding VAT):

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Category	USD
Articles of association	
per new listed company	600
per subsidiary of a listed company	340
re-examination fee, per company	340
*minor amendments	170
Debenture trust deed	
per new trust deed	600
re-examination fee of existing deed requiring securities holders approval	340
minor amendments of existing deed not requiring securities holders approval	170
Share incentive/option scheme	
new scheme	850

Category	USD
amendment fee of existing scheme (requiring shareholder approval)	340
minor amendments of existing scheme not requiring shareholder approval	170
New listing Includes pre-listing statement, excludes articles of association, debenture trust deeds and shares incentive/option schemes	4 250
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	4 250
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	3 400
Acquisition/Disposal/Mandatory offer	

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Circular	3 400
Capital restructure	
Circular	3 400
Issue for cash	
Circular	3 400
Odd lot offer	

Category	USD
Circular	3 400
Consolidation/sub-division	
Circular	3 400
Capitalisation issues	
Circular(ordinary)	3 400
Circular(fractional entitlement)	3 400
Change of name	850
Ruling – per individual excluding vat. (Includes interpretations, dispensation, extension of compliance period, block listing admin). A subsequent ruling item on the same transaction is \$2100 excluding VAT	1700
Related Party Transaction	3 400
Scrip dividend	600
Share Capital- cancellation or withdrawal of securities	550
Share Capital – Increase	450
Share Capital – Par Value Amendment	450
Termination of listing	4 250
Unbundling	4 250

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Debt Securities	
Placing document, Offering circular Programme memorandum	4 250
Pricing supplement	700
Amendment to Programme	3 550
Amendment to Pricing Supplement	600
ETF/ETN prospectus/prelisting statement/placing document	5 700
Review of amendments to ETF/ETN circulars (per each review)	700
Index ground rules review	350

Category	USD
Trust deed review	
per new trust deed	800
re-examination fee of existing deed requiring securities holders approval	300
minor amendments of existing deed not requiring securities holders approval	150
New Listing – SPAC	5 700
Reviews requiring responses, rulings and decisions within less than 24 hrs from the date of submission	700

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

- (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.

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- A penalty of USD 14 200 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 USD 100 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 USD 10 000 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 USD 100 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 a 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 USD4 400, and thereafter the fine shall accrue at the rate of USD100 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 USD157 500.
- (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 USD 4 400 and thereafter the penalty shall accrue at the rate of USD 200 per day until the announcement is made by the issue.
- (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 USD4 400.
- (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 USD280.
- (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 USD280.
- (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 USD4 300) to the ZSE.
- (i) Non-declaration on directors' trading:

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- 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 USD4 300) to the ZSE.
- (j) Publication of misleading information:
 - ZSE shall publish an announcement about the event within 5 days of 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 USD 157 500 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. (1) A sponsor who fails for more than two times on any given transaction to submit a set of correct and complete documents in terms of section 20(3) will bear the cost of lodging documents for the third and any subsequent time.

(2) Where there has been a conflict of interest in breach of the Sixteenth Schedule, a sponsor shall be deregistered.

(3) 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.

26.4 All fees and penalties are pegged to the United States Dollars (USD), but are payable in Zimbabwean Dollars (ZWL) at the prevailing official exchange rate on the date of payment.”.

