



CAPITAL MARKETS AND SECURITIES AUTHORITY



Annual Report

For the Financial Year 2015/2016

CAPITAL MARKETS AND SECURITIES AUTHORITY

Establishment of the Capital Markets and Securities Authority (CMSA)

The Capital Markets and Securities Authority (CMSA) became operational in the 1995/1996 Financial Year. The establishment of CMSA followed comprehensive financial sector reforms in the early 1990s that were aimed at developing among others capital markets in Tanzania. The development of capital markets were to enable of provision of appropriate mechanism for mobilizing long term savings and ensuring efficient allocation of resources to productive sectors and in that way stimulate economic growth.

The capital market in Tanzania is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002 (CMS Act). The CMS Act is supplemented by 19 Regulations and Guidelines governing various aspects of the capital markets.

Since the capital markets industry is dynamic in nature, regular review among other things of the legal framework had been undertaken in order to keep pace with developments in the industry.

In the financial year 2015/2016, the CMSA continued with the review of the Capital Markets Act with a view to developing proposals for a new Act that addresses all identified weaknesses.

Furthermore, following the enactment of the Commodity Exchanges Act 2015, the CMSA was also mandated to supervise, develop and regulate the commodity exchanges sector in Tanzania. The Commodity Exchanges Act is supplemented by the Commodity Exchanges Regulations, 2016.

Functions of the CMSA

The general functions of the CMSA are to -

- Promote and develop efficient and sustainable capital markets and securities business in Tanzania while ensuring fair and equitable dealings;
- Formulate principles for the guidance of the industry, protection of investors' interests and integrity of the securities market against any abuses;
- Licensing and regulating stock and commodity exchanges, dealers, brokers and their representatives and investment advisors;
- Advising the Government on policies and all matters relating to the securities and commodity markets industry.

Our vision

A professional independent regulator promoting capital and commodity markets development, financial literacy and investor protection.

Our Mission:

To design and implement purposeful measures which will enable the creation and development of sustainable financial markets that are efficient, transparent and which will fuel economic growth.

Our Priorities:

- Supervising and regulating the securities industry and commodity markets subsector to ensure sustainable market transparency and integrity.
- Better licensing and supervision of the markets and market professionals,
- Deepening of the markets by integrating all sectors of the economy into the capital markets and operationalizing the commodity exchange
- Conducting capital and commodity markets awareness campaigns among investors, issuers, farmers, policy makers and the general public.

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LIST OF ABBREVIATIONS

AML	Anti Money Laundering
ATS	Automated Trading System
BOT	Bank of Tanzania
CIS	Collective Investment Scheme
CDS	Central Depository System
CISNA	Committee of Insurance, Securities and Non-bank Authorities of SADC
CMSA	Capital Markets and Securities Authority
CMPIIC	Capital Markets Pension and Insurance Committee of East Africa Community
COSSE	Committee of SADC Stock Exchanges
DCB	Dar es Salaam Community Bank
DSE	Dar es Salaam Stock Exchange
EAC	East African Community
EABL	East African Breweries Limited
EASRA	East African Securities Regulatory Authorities
EGM	Enterprises Growth Market Segment to be launched at DSE
EPOCA	Electronic and Postal Communication Act
ESAAMLG	Eastern and Southern Africa Anti Money Laundering Group
ESMID	Efficient Securities Markets Institutions Development Programme
FMI	Financial Markets Infrastructure
FSDT	Financial Sector Deepening Trust
FSP	Financial Sector Support Project under the Second Generation Financial Sector Reform Programme
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering of Securities
LAN	Local Area Network
NCMMP	National Capital Markets Master Plan
NMB	NMB Bank Plc
NICOL	National Investment Company Limited

OTC	Over the Counter Trading
PSCP	Private Sector Competitive Projects of the World Bank
SIDA	Swedish International Development Cooperation Agency
SIMBA	Tanga Cement Company Limited shares at DSE
TATEPA	Tanzania Tea Packers Company Limited
TBL	Tanzania Breweries Limited
TMX	Tanzania Mercantile Exchange
TOL	TOL Gases Company Limited shares at DSE
TZS	The currency of Tanzania - Tanzanian Shilling
UTT	Unit Trust of Tanzania
WAN	Wide Area Network

1. TRANSMITTAL LETTER

CMSA/FI/I

30th December 2016.

Hon. Dr Philip Mpango,
Minister for Finance and Planning,
Ministry of Finance and Planning,
1 Madaraka Street,
11468, Dar es Salaam.

Honourable Minister,

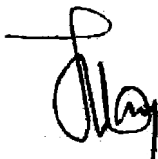
Re: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2015/2016

I have the honour to submit to you the Annual Report of the Capital Markets and Securities Authority (CMSA) for the year ended 30th June 2016.

This report covers the operational performance, financial performance and the Auditors Report for the financial year 2015/2016. The report is prepared pursuant to section 9 of the Capital Markets and Securities Act 1994 and section 25(2) of the Public Finance Act 2001.

Yours sincerely,

CAPITAL MARKETS AND SECURITIES AUTHORITY

A handwritten signature in black ink, appearing to read 'Frank Kanyus', is written over a horizontal line.

**Mr. Frank Kanyus
For CHAIRMAN**

2. CORPORATE INFORMATION

i) **Registered Office of the Authority**

6th Floor, PPF Tower,
Corner of Ohio Street and Garden Avenue,
P o Box 75713 Dar Es Salaam.
Tel: 255 22 2114959/61
Fax: 255 22 2113846
Email: info@cmsa.go.tz;
Website: www.cmsa.go.tz

ii) **Bankers:**

NMB Bank House Branch,
Samora Avenue,
P o Box 9031,
Dar Es Salaam.

CRDB Tower Branch,

Corner of Ohio Street and Garden Avenue,
P o Box 2302,
Dar Es Salaam.

iii) **Bank of Tanzania**

2 MIRAMBO STREET
11884 DAR ES SALAAM
P.O Box 2939
Dar es Salaam.

iv) **Statutory Auditors:**

The Controller and Auditor General,
National Audit Office,
Samora Avenue/Ohio Street,
P o Box 9080,
Dar Es Salaam.

3.0. CHAIRMAN'S STATEMENT

I am honoured to present the Capital Markets and Securities Authority (CMSA) Annual Report for the financial year 2015/16. The report covers the third year of implementation of the CMSA Five Year Strategic Plan 2013/14 – 2017/18.

CMSA continued to record positive strides in terms of institutional, operational and legal framework, innovations and improved infrastructure, increasing the depth and width of the market, increasing awareness to the issuers and investing public on capital markets opportunities.

In line with the strategic plan, for the past 3 years (2014 – 2016) CMSA has been in the fore front of implementation of the National Financial Inclusion Framework (NFIF) for the securities industry where notable success has been recorded in that some of the goals under the framework have been surpassed. Among the goals include increased proximity and accessibility to financial services; innovation on products development and regulatory regime; and robust electronic payment platform for payments and store of value. A number of priority activities have been implemented while others are in the process of implementation. The Authority commends the said achievements as it continues to guide the Management through the process.

Implementation of the strategic initiatives have also assisted in achieving the CMSA's self-sustainability goal at the end of the third year of the CMSA's Strategic plan which is ahead of time as it was planned that CMSA would be self-sustainable at the end of the fourth year of the strategic plan. The initiatives also enhanced CMSA's ability to play its part in supporting industry's and economic growth needs, aspirations, as well as meeting the challenges in the capital market and the commodity exchange.

The above achievements and innovations enabled the CMSA being awarded the best innovative capital markets regulatory authority in Africa. The award was conferred to CMSA in New York in September 2016 by the Africa Investor (Ai) a Capital Markets Index Series Awards which are designed to recognize the best performing regulatory authorities in Africa. The award was in recognition of the efforts by the CMSA to position Tanzania's capital markets as the investment destination of choice for domestic, regional, and international capital markets fund flows.

On policy reforms and establishment of the National Capital Markets Master Plan (NCMMP), the Authority will ensure that strategic initiatives are in place to guide the Government and the CMSA to obtain technical assistance to develop the capital markets master plan in line with the country's vision 2025. Capital Markets play an important role in improving policy framework of a country as among the underlying factors for flourishing of economies of the first world lies in piping the public saving in to long-term investments. With successful implementation of the NCMMP, the Government and enterprises will be availed reliable avenue

to avoid the high cost of long term financing. NCMMP will enable Tanzania to develop and adopts best capital market practices thereby creating multiple effects and helps in reviving the economy and immensely contribute towards speedy economic growth and attainment of the industrialization dream.

As the capital and commodities markets evolves, the Authority will strive to maintain timely policy and regulatory reforms in order to keep pace with developments of the markets to ensure that in place there is an appropriate regulatory and supervisory mechanisms, modern and efficient infrastructure for the markets to operate. The Authority will also ensure that investors are well informed and that disclosures are availed to them, the capacity of market professionals is regularly enhanced with a view to maintaining proper standards of conduct and professionalism and that an effective remedy or redress for market misconducts is maintained.

The Authority commend the legislation amendment on Electronic and Postal Communication Act 2010, through the Finance Bill 2016 requiring electronic and telecommunication providers registered in the country to offer 25% of their shares to the public and eventually list on the Dar es Salaam Stock Exchange (DSE). The amendments are aimed at among others enabling increase in the transparency of telecommunication companies. The legislation will also empower Tanzanians economically through the capital markets by shareholding in telecommunication companies. The issuance and listing of the telecommunication companies will have economic benefits to the country and to the individual shareholders.

In carrying out its responsibilities the Authority has received invaluable support from various stakeholders. The Authority greatly appreciates the Government of the United Republic of Tanzania, Ministry of Finance and Planning and the Bank of Tanzania for their continued support to the Authority and the capital markets in general. The Government has continued to support development of the market by approving policy reforms in the capital markets and to maintain supportive fiscal incentives.

The Authority also recognizes the Government's commitment and Development Partner's support to the capital markets and in the operationalization of the commodity exchange in terms of legal and regulatory reforms, technical and financial resources.

The commitment and efforts of the Members of the Authority, Management and Staff of the CMSA to ensure the achievement of CMSA's goals and objectives is very much commended and appreciated.

A handwritten signature in black ink, appearing to read 'Frank Kanyus', is written over a white rectangular area.

Mr. Frank Kanyus
For Chairman

4.0. CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2015-2016

4.1 The CMSA's Corporate Governance Philosophy

CMSA has among others the objective of expanding its capacity and becoming competitive in its activities. As a part of its growth strategy, CMSA seeks to adopt international best practices that are required in the area of Corporate Governance. CMSA therefore upholds the principle of transparency and accountability in its transactions, in order to protect the interests of investors and its stakeholders.

The Authority considers itself a trustee of its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their interests. In accordance with the CMSA's Vision regarding investor protection, the Authority aspires to be the benchmark for value creation and good corporate citizenship. CMSA expects to realise its objectives by taking such actions as may be necessary in order to achieve its mission.

4.2. Institutional and Regulatory Framework

The institutional framework of the capital markets and commodity exchanges sub sector is comprised of the Regulatory Authority which is the CMSA; operators of the financial markets infrastructure; and market intermediaries such as brokers, dealers, investment advisers, fund manager, collective investment schemes, custodian of securities, nominated advisers.

The legal framework constitutes the Capital Markets and Securities Act, Chapter 79 R.E. 2002 and the Commodity Exchanges Act 2015. The CMS Act and the CE Act are supplemented by Regulations and Guidelines governing various aspects of capital and commodity markets.

The Acts facilitated in the establishment of the appropriate institutional framework including the establishment of the Authority, the Stock Exchange, Commodity Exchange and licensing of various market intermediaries to facilitate the trading of securities and commodity contracts to the public.

4.3. The Board of the Capital Markets and Securities Authority

The Authority is the governing body of the Capital Markets industry established by Section 6 of the CMS Act.

4.3.1. Members of the Authority

The Authority comprises ten members. The Chairman is appointed by the President of the United Republic of Tanzania. Five members of the Authority are ex-officio, and the Minister for Finance and Planning appoints four other members taking into consideration their experience and expertise in either legal, financial, business or administrative matters. Below is a list of Authority Members that served during the year.

Table 1: Members of the Authority

NO	NAME	POSITION	DATE OF APPOINTMENT	EXPIRY OF TERM
1	Ms. Susan B. Mkapa	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
2	Prof. Benno Ndulu	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
3	Hon. George Masaju	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
4	Mr. Frank Kanyus	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
5	Mr. Juma Hafidh	Member	4 th July 2015	July 2018
6	Mr. Geoffrey Msella	Member	4 th July 2015	July 2018
7	Dr. Severine Kessy	Member	4 th July 2015	July 2018
8	Mr. Gabriel Mwero	Member	31 st March, 2014	March 2017
9	Mrs. Nasama Massinda	CEO – Ex Officio	Member - Ex Officio	Member - Ex Officio



Prof. Benno Ndulu
Member - Ex Officio



Hon. George Masaju
Member - Ex Officio



Mr. Frank Kanyus
Member - Ex Officio



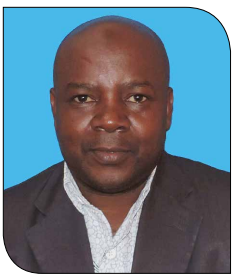
Ms. Susana Mkapa
Member - Ex Officio



Mr. Gabriel Mwero
Member



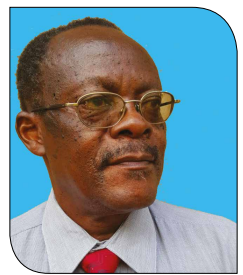
Mrs. Nasama Massinda
Member - Ex Officio



Mr. Juma Hafidh
Member



Dr. Severine Kessy
Member



Mr. Geoffrey Msella
Member

4.3.2. Meetings of the Authority

The Authority met quarterly for its ordinary meetings during the financial year 2015/16. There were six Extra Ordinary Meetings that is the 101st Extra Ordinary Meeting held on 10th July 2015 to discuss the Annual Work Plan and Budget Proposals for the FY 2015/2016; the 102nd Extra Ordinary Meeting held on 21st July, 2015 to discuss Proposals for adjustments of Board and Staff Remuneration for the Financial Year 2015/2016; the 103rd Extra Ordinary Meeting held on 15th December, 2015 to discuss the Audited Financial Statements and Management Audit Report for the Financial Year 2014/2015; the 104th Extra Ordinary Meeting held on 11th February, 2016 to discuss the Annual Work Plan and Budget for the Financial Year 2016/2017; the 105th Extra Ordinary Meeting held on 28th April, 2016 to discuss the Revised Budget for the Financial Year 2016/2017; and the 106th Extra Ordinary Meeting held on 2nd May, 2016 to deliberate on the Application by Dar es Salaam Stock Exchange (DSE) Plc to raise TZS 7.5 Billion by way of Initial Public Offer (IPO) and listing of 15,000,000 ordinary shares.

Committees of the Authority met as and when the need arose to review and deliberate on issues pertaining to their respective mandates as follows:-

- The Authority's Committee on Corporate Approvals and Licensing met five times to deliberate on various issues including license applications; approval of prospectuses and other offering documents; and application to confer to the CMSA the powers to consider and approve the DSE Public company's application to list its shares on the DSE.
- The Authority's Committee on Audit and Risk met six times to discuss various matters including annual work plan and budget proposals; annual audit plan; draft financial statements and internal audit reports and risk management policy and procedures.
- The Authority's Committee on Rules and Regulations met twice to deliberate on the draft Commodity Exchange Regulations; proposed Dar es Salaam Stock Exchange Revised Rules and the Board of Directors Code of Ethics and Conduct.

The members of the above committees of the Authority are indicated in item 8.2.on Page 71 of this report.

4.3.2. Attendance during the Meetings of the Authority

The members' attendance in the meetings was satisfactory and members played a major role in the effective execution of the business of the Authority.

In statistical terms the attendance of the meeting by members of the Authority can be presented as follows:

i) Table 2: Ordinary Meetings

Meeting	Date Held	Members attended	percentage
78th Ordinary Meeting	6/8/2015	5	55.55%
79th Ordinary Meeting	4/11/2015	9	100%
80th Ordinary Meeting	29/1/2016	7	77.77%
81st Ordinary Meeting	28/4/2016	9	100%

ii) Table 3: Extra Ordinary Meetings

Meeting	Date Held	Members attended	Percentage
101 st Extra Ordinary meeting of the Authority	10/7/2015	6	66.66%
102 nd Extra Ordinary meeting of the Authority	21/7/2015	6	66.66%
103 rd Extra Ordinary Meeting of the Authority	15/12/2015	9	100%
104 th Extra Ordinary meeting of the Authority	11/02/2016	8	88.88%
105 th Extra Ordinary Meeting of the Authority	28/04/2016	8	88.88%
106 th Extra Ordinary Meeting of the Authority	2/05/2016	9	100%

iii) Table 4: Corporate Approvals and Licensing Committee

Meeting	Date Held	Members attended	Percentage
10th Corporate Approval and Licensing	13/8/2015	3	75%
11th Corporate Approval and Licensing	21/10/2015	3	75%
12th Corporate Approval and Licensing	2/11/2015	3	75%
13th Corporate Approval and Licensing	8/12/2015	4	100%
14th Corporate Approval and Licensing	29/4/2016	4	100%

v) Table 5: Audit and Risk Committee Meetings (A&RC)

Meeting	Date Held	Members attended	Percentage
17 th Audit and Risk Committee	9/7/2015	3	75%
1 st Extra Ordinary Audit and Risk Committee	15/7/2015	3	75%
2 nd Extra Ordinary Audit and Risk Committee	4/12/2015	3	75%
18 th Audit and Risk Committee	26/1/2016	4	100%
3 rd Extra Ordinary Audit and Risk Committee	10/02/2016	3	75%
19 th Audit and Risk Committee	24/4/2016	4	100%

vi) **Table 6: Rules and Regulations Committee Meetings (RRC)**

Meeting	Date Held	Members attended	Percentage
22 nd Rules and Regulations Committee	18/11/2015	4	100%
23 rd Rules and Regulations Committee	16/12/2016	4	100%

4.4. The Management

In accordance with the CMS Act Section 6, Mrs. Nasama M. Massinda was the Chief Executive Officer and Head of Management team of the CMSA with effect from 15th November 2011. The organization structure provides for three Directorates and four Independent Departments as follows:

- Directorate of Legal Affairs and Enforcement
- Directorate of Market Supervision and Market Development
- Directorate of Research, Policy and Planning
- Department of Internal Audit
- Department of Administration and Personnel
- Department of Finance
- Department of Public Relations

The following were the members of the Management team who served for the financial year 2015/2016:

FIGURE 1: THE MANAGEMENT TEAM



Mrs. Nasama N. Massinda
Chief Executive Officer



Mr. Godfrey Malekano
**Director, Market Supervision and
Market Development**



Ms. Fatma Simba
**Director, Legal Affairs and
Enforcement**



Mr. Nicodemus Mkama
**Director, Research, Policy and
Planning**



Mr. Joseph Wilbert
**Manager, Administration and
Personnel**



Mr. Charles P. Shirima
Manager Public Relations



Mr. Exaut Julius
Manager Finance



Mr. Alfred A. Mkombo
Manager Internal Audit



Mr. Selenga I Kaduma
**Manager Licensing and
Enforcement**

5.0 CHIEF EXECUTIVE OFFICER'S STATEMENT

Tanzania's economy continued to register strong growth in 2016, with a projected real GDP growth of 7.0%, which is the same growth registered in 2015. The strong growth was supported by stability in power supply, moderation in oil prices and high growth of credit to the private sector. During the year 252.43 million shares were traded.

As a means to ensure that the securities market remains stable, the CMSA continued to deepen the market through introduction of new products such as corporate retail bonds, promotion of new issuance and listing of equity products, increasing proximity to capital markets products, operationalization of a robust mobile telephone platform and focused capital markets awareness campaigns.

In order to ensure that the integrity and capacity of the market players is maintained, monitoring of the securities dealers and other licensees remained a critical activity during the year. CMSA will continue to enforce compliance with the minimum capital requirements which were adopted by the EAC Partner states. Updated capital adequacy requirements are aimed at encouraging new entrants; mergers of brokers and increased capacity to enable them compete locally and regionally as we strive to the integration of the capital markets in the EAC Region and common market protocol.

During the financial year 2015/16 CMSA completed the demutualization of the Dar es Salaam Stock Exchange (DSE) by approving the Initial Public Offer and Self Listing of the DSE. This step has made the DSE to be the third stock exchange to be demutualized in Africa after the Johannesburg Stock Exchange (JSE) and the Nairobi Securities Exchange (NSE). Successful completion of the demutualization of the DSE enhances its governance structure and the IPO enabled it to raise funds for its growth and expansion by introducing new products and services. The self-listing was in line with the global trend and practice for exchanges and also aimed at achieving good corporate governance practices, efficiency and effectiveness of the DSE and further strengthening of its strategic and operational activities.

Implementation of the project on linkage of the CSD at the DSE and the one at the BOT CSD to a single CSD as well as separation of the CSD from the exchange in line with the IOSCO principles, begun during the financial year 2015/16 and it is expected to be completed in the next financial year. The Project entails the separation of CSD from the operations of the DSE and establishment of an independent CSD Company.

With respect to increasing activities in the bond market and addressing the liquidity problem, the CMSA is considering pursuing one of the three potential strategic options for the Tanzanian market which were recommended through a bonds market study. The objective of the study which is expected to be completed in the financial year 2016/17 is to address the liquidity problem in the bonds market by proposing an appropriate market model that offers a potential route to liquidity in the secondary market.

Work on the implementation and operationalization of a micro savings product “M-AKIBA Bonds” begun in the financial year 2015/16. The objective of this assignment is to introduce a micro savings product in the form of a retail government bond aimed at attracting retail investor’s liquidity and revenue to the capital markets and allow wider participation of the Tanzanian population.

In the next financial year the CMSA will further focus on introduction of new products such as infrastructure bonds and exchange traded funds (ETF), derivatives and futures products, infrastructure financing and sharia compliant capital markets products which are intended to pave way for the government and other entities to use the capital markets for project financing.

Innovation and use of technology particularly the use of mobile telephone technology in the capital markets and conducting public and investors’ awareness programs has changed the capital markets landscape in the recent years. The same efforts will also be applied in the operationalization of the commodity exchange in Tanzania in terms of trading, settlement and dissemination of market information. The ultimate aim is to enable all Tanzanians irrespective of their location to access information and participate in the capital markets and the commodity exchange with ease and at reasonable costs.

To stimulate demand and encourage a saving culture to the Tanzanian youth the university challenge programme which is open to scholars of universities and higher learning institutions and which begun in the financial year 2014/15 will be run every year. Other awareness creation programs will be introduced such as financial education for the youth which is targeted at secondary school leavers across the country. Specialized seminars to professional groups and the general public will also be intensified in order to ensure that capital markets and commodity markets awareness levels are increased.

To increase capacity of market intermediaries the CMSA will progress the collaboration with the Chartered Institute of Securities and Investment (CISI) of the United Kingdom (UK) which focuses on conducting globally recognized Securities Industry Certification Course (SICCs). Through this collaboration CMSA will launch the first training for market players in January 2017 and will be able to run CISI accredited courses annually and address the growing demand for globally qualified professionals in various areas of the capital markets industry including investment management, corporate finance, compliance, risk management and operations.

Improved legal and regulatory environment will form an important part of the next year’s activities. This will entail review of the Capital Markets Act and its Regulations. Development of the regulatory framework for new products is another area that will be developed to

accommodate new products such as exchanges traded funds, infrastructure financing, sharia complainant capital markets products and derivative and futures products.

Strengthening of the corporate governance framework through development of corporate governance codes for listed companies, market intermediaries and other public companies is critical in maximizing investors return and upholding of the market confidence and investors aspiration.

On the part of the commodity exchange, the CMSA is currently finalising implementation of various initiatives including, TMX Rule Book, Commodity contracts, office partitioning, implementation of digital network design at the TMX office premises and trading floor to enable operationalization of the commodity exchange in the financial year 2016/17.

In terms of the future projects for the commodity exchange, the Authority will guide the process of development of the TMX including increasing the number of contracts and introduction of futures contracts, capacity building programs of the regulatory and the exchanges staff and market intermediaries. Market dissemination systems such as price tickers in the rural areas, public education to farmers and policy makers regarding the operations of the commodity exchange will be carried out.

The future of the capital markets in Tanzania remains positive particularly with the operationalization of the commodity exchange. Continued concerted efforts and collaboration with key stakeholders are necessary in order for these markets to play their rightful role in stimulating economy growth of the country and consequently contribute to the GDP of the country. The government policy on industrialization can be realised through effective allocation of long term financing to the enterprises and infrastructures through the capital markets; while the commodity exchange providing an efficient platform for marketing of agriculture produce thereby creating an enabling environment for agro processing industries to thrive.

The Management acknowledges the efforts and roles being played by the CMSA Staff and key stakeholders in fostering capital markets development and the drive towards operationalising the commodity exchange. The Management also acknowledges the guidance of the Authority in setting the direction for the Management's implementation of the CMSA's strategic initiatives.

A handwritten signature in black ink, appearing to read 'Massinda', is written in a cursive style.

Mrs. Nasama M. Massinda
Chief Executive Officer.

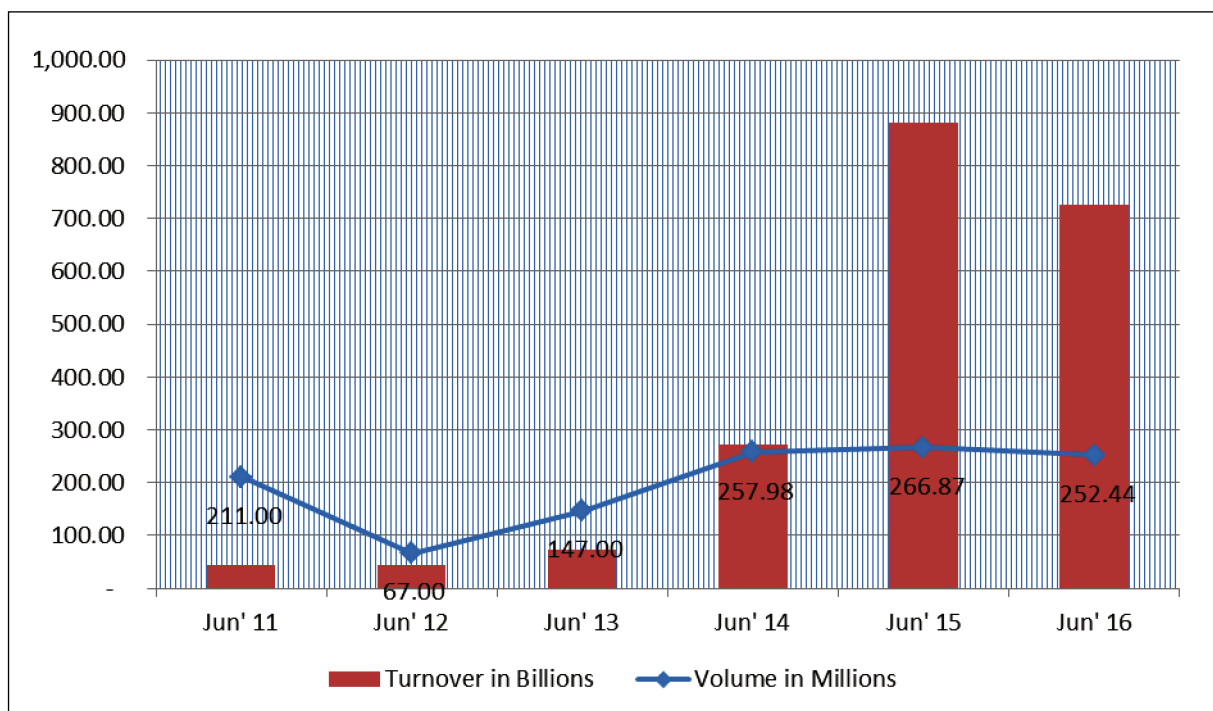
6.0. CAPITAL MARKETS IN TANZANIA

6.1. Equity Market Turnover

During the financial year ended 30th June 2016, the Dar es Salaam Stock Exchange (DSE) posted a market turnover of TZS 726.09 billion, down by 18% from TZS 880.25 billion registered in the previous financial year. The performance of the stock market since the opening session of 2016 has been challenging and uncertain amid the slowdown in global economic growth. Some triggers that concern investors include slowdown of Chinese economy as a driving force behind low commodity prices, and volatility in exchange rates. In line with the performance, the activity levels on the market during the year under review has declined by 5% whereby 252.43 million shares exchanged hands as compared to 266.87 million shares traded during the previous financial year.

Foreign investors' activities on the buy-side slightly increased by 1.71 percent to 90.06 percent out of total trading activities while sell-side activities plunge to 16.89 percent during the financial year 2015/16 from 56.34 percent in the previous year.

Figure 2: Equity Market Turnover

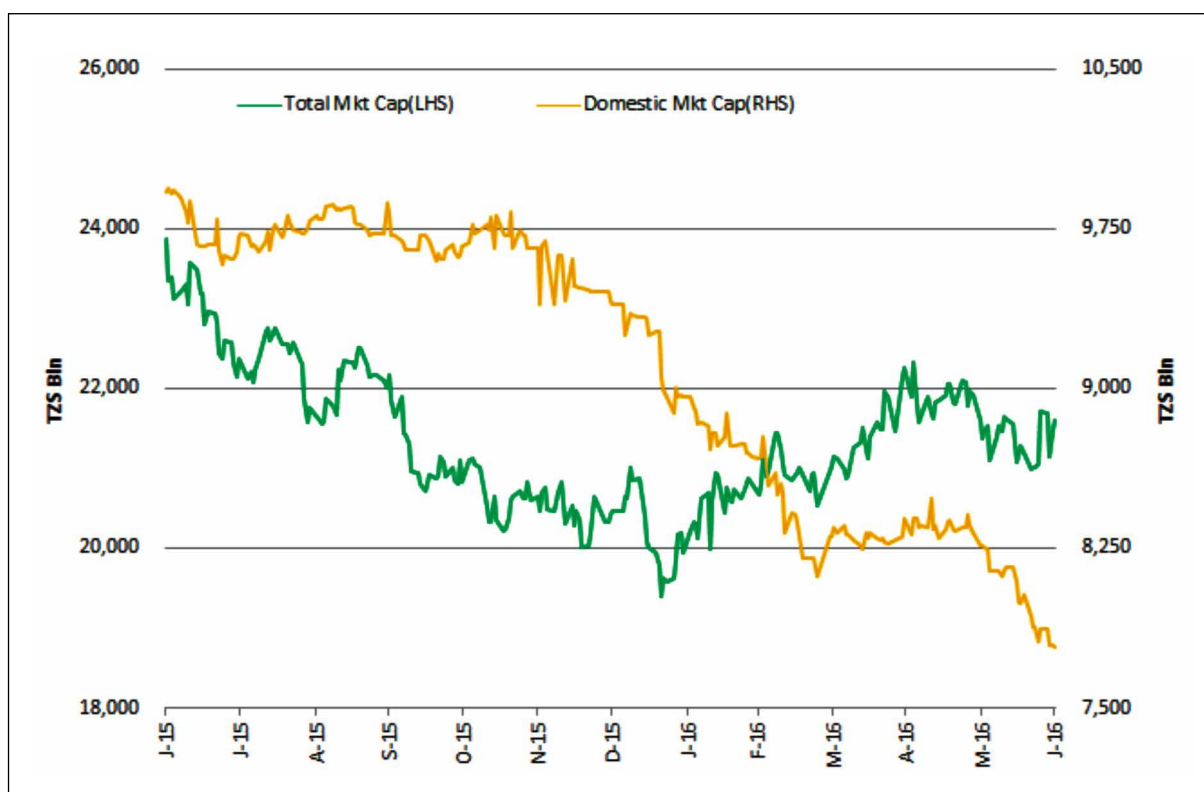


6.2. Market Capitalization

Total market capitalization experienced a decrease of 4.46 percent during the year to close at TZS 21,728.57 billion. Meanwhile, domestic market capitalization decreased significantly to TZS 7,912.10 billion at the end of June 2016 from TZS 10,235.93 billion recorded at the end of

the previous year. The decline in market capitalization resulted from the depreciation of prices of the majority of listed companies. The top losers included Uchumi Supermarket Limited (67percent), Simba Cement Company Limited (57percent), National Microfinance Bank (54percent), Kenya Airways (40percent), Kenya Commercial Bank (36percent), Tanzania Portland Cement Company Limited (32percent), Tanzania Cigarette Company (27percent), DCB Bank Limited (26percent), CRDB Bank Limited (23percent) and Swissport Tanzania Limited (15percent)

Figure 3: Movement of Market Capitalization



LHS: Left Hand Scale; RHS: Right Hand Scale

6.3 DSE indices

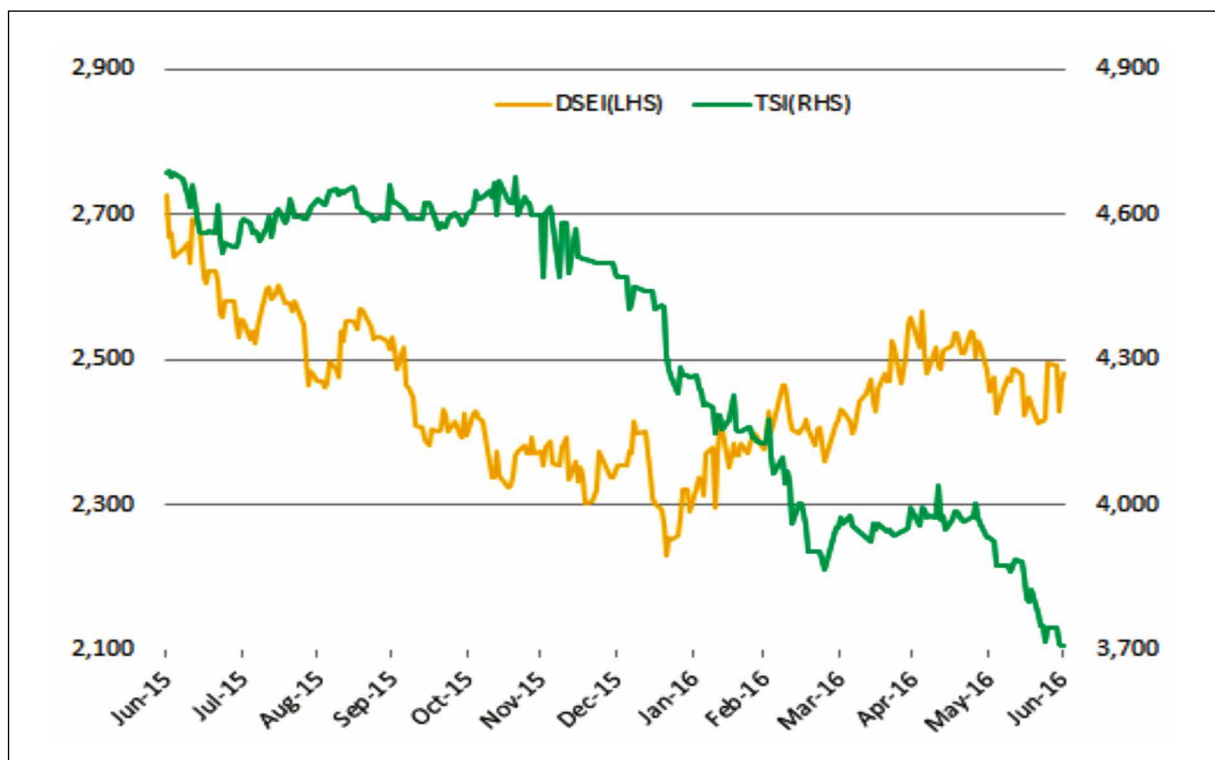
The All Share Index closed the financial year at 2,481.99, which was a 9 percent decrease as compared to the previous year. On 30th June 2016, Tanzania Share Index (TSI) stood at 3,706.15, exhibiting a 21 percent decrease as compared to the corresponding value registered at 30th June 2015.

The Banking & Investment Index lost 525.27 points, moving from 3,409.78 points as at the end of June 2015 to 2,117.6320 points at the end of June, 2016. The loss originated from declines in share prices of NMB (54percent), CRDB (23percent), DCB (26percent), MKCB (9percent) and MCB (2.26percent).

The Industrial & Allied Index experienced a 104.62 points loss, moving from 6,072.36 points as of 30th June, 2015 to 5,175.59 points as of 30th June, 2016. The loss was attributed to the decrease in share prices of TCCL (57percent), TCC (27percent), TWIGA (32percent), TBL (5percent), SWALA (10percent) and SWISSPORT (15percent).

The Commercial Services Index experienced loss of 11.0 percent from 4,016.07 points as of 30th June 2015 to 3,559.78 recorded at the close of June 2016.

Figure 4: Movement of Share Index



LHS: Left Hand Scale; RHS: Right Hand Scale

6.4. Corporate Bond Market Performance

There were four (4) corporate bonds outstanding at the end of the year worth TZS 98.56 billion as compared to corporate bonds worth TZS 60.90 billion which remained outstanding at the end of the previous year. During the year there was no transaction in corporate bonds on the secondary market as was the case in the year ended 30th June 2015.

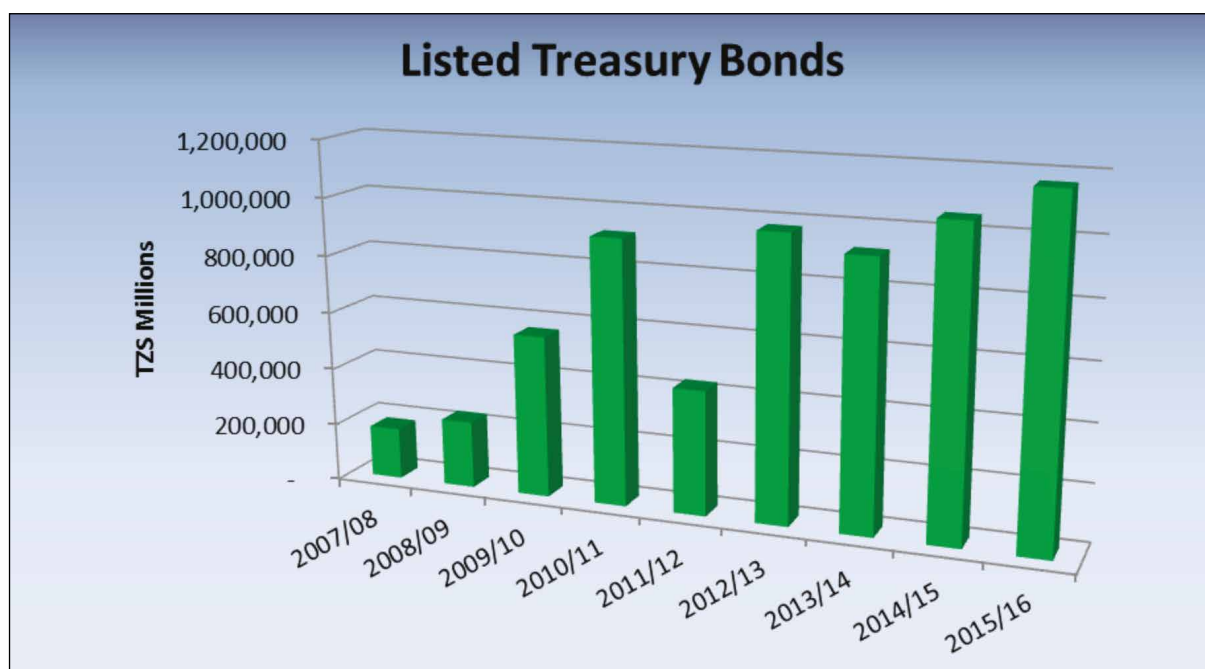
6.5. Treasury Bonds

In the secondary market, Treasury bonds traded at the Dar es Salaam Stock Exchange amounted to TZS 363.47 billion, a 10 percent or TZS 33.78 billion increase as compared to the previous financial year. The 7-year bond was the most traded with almost 43 percent of

the total bond transactions, followed by the 10, 15 and 5 year bond at 25 percent, 20 percent and 12 percent respectively. The 2-year bond was the least traded since it is the most liquid and preferred by banks as collateral for loans in the inter-bank cash market. The yields to maturity on the bonds ranged between 11.18 percent and 18.69 percent.

During the year the Dar es Salaam Stock Exchange listed Government Bonds with different maturities worth TZS 1,166.39 billion, a 1 percent increase as compared to the Treasury bonds listed in the previous year. Treasury bonds with different maturities worth TZS 4.90 trillion were outstanding as at the end of June 2016.

Figure 5: Listed Treasury Bonds



6.6 Collective Investment Scheme Performance

As at the end of June 2016 there were five open ended Collective Investment Schemes (unit trust schemes), two closed ended Collective Investment Schemes and one Real Estate investment Trust under operation.

6.6.1. Open Ended Collective Investment Scheme

The UTT AMIS continued to publish the Net Asset Values of the collective investment schemes under its management. Except for Liquid fund, the rest of the funds experienced modest growth during the year under review. This was because the four schemes invested in listed equities which experienced substantial share price depreciation during the year. Umoja Fund experienced a modest growth of 3 percent and 5 percent in NAV and NAV per unit respectively. The income accrued from government bonds of which Umoja has invested to some extent

minimized the impact of the drop in equity prices in the portfolio. Wekeza fund's NAV and NAV per unit increased by 2 percent and 3 percent respectively.

Despite growth in fund size by 34 percent during the year ended 30th June 2016, Jikimu fund's NAV per Unit declined by 2 percent. The Jikimu fund's decline in NAV was attributed to a sell of more units than the redeemed units during the year. During the year under review, Jikimu fund distributed a total of TZS 16 per unit to the unit holders. Watoto fund size grew by 10 percent during the financial year whereas, the fund's NAV per unit slightly declined by 0.41 percent to TZS 278.55 as at the end of June 2016. Liquid Fund's size increased almost five times with the number of units increasing four times to reach 20 million as at 30th June 2016. The NAV per unit of the fund grew by 14 percent from TZS 127.80 of 30th June 2015 to TZS 145.93 as of 30th June 2016.

Table 7: The Open Ended Collective Investment Scheme Performance

S/n	Scheme	Scheme Size as at Jun 30, 2016 in TZS million	Scheme Size as at Jun 30, 2015 in TZS million	NAV per unit as at Jun 30, 2016	NAV per unit as at Jun 30, 2015	NAV Growth for the Year
1	Umoja Fund	219,537.86	212,464.93	479.11	455.50	3%
2	Wekeza Maisha	3,573.09	3,441.46	309.76	300.97	4%
3	Jikimu Fund	27,838.99	20,833.92	126.24	128.79	34%
4	Watoto Fund	2,948.02	2,673.81	278.55	279.71	10%
5	Liquid Fund	3,016.86	645.28	145.93	127.80	368%

6.6.2. Closed Ended Collective Investment Scheme

There were two closed ended collective investment schemes (which are constituted as companies whose objective is investment) in operation. These were the National Investment Company (NICOL) and the TCCIA Investment Company Ltd (TICL). Details of the performance of each company are provided below.

6.6.2.1. National Investment Company Ltd

The audit of NICOL's consolidated accounts for 2010 through 2015 as well as the review of subsequent events of the 2009 accounts could not be accomplished in accordance with the requirements of the law due to the management crisis of the company. The interim Board and Management of the company was denied access to NICOL's subsidiaries. The access to NICOL subsidiary companies was granted on 5th May 2016. The delay in getting access to the subsidiaries affected other scheduled downstream events such as the preparation of accounts, getting access to subsidiaries assets for verification and valuation. The delay also affected review of the 2009 post audit events required by external auditors.

Following the above developments, the Interim Board decided that the preparation of NICOL group consolidated account for audit should be extended to cover Financial Year 2015 in order to give the shareholders a more current position of the state of affairs of NICOL. It would also among others, facilitate application to the DSE for listing reinstatement.

NICOL investment in NMB shares declined to TZS 51.2 billion as at 30th June 2016 compared to TZS 94.4 billion as at 30th June 2015 due to the drop in the NMB share price from TZS 2,950/= to TZS 1,600/=.

6.6.2.2. TCCIA Investment Company Ltd (TCIL)

During the year ended December 2015, the company realized a net profit before tax of TZS 546.2 million compared with TZS 784.2 million earned during the previous year. This represented a decrease of 28 percent below the net profit before tax realized in 2014. The deterioration in the performance of the company is due to increase in operating costs. The increase in operating costs was largely due to increased volume of activities including matters in respect of preparations of the company prospectus and the overriding need to diversify the company's investment portfolio. Further, during the year, the company's total assets declined from TZS 34,558 million at the end of December, 2014 to TZS 32,945.6 million at the end of the December 2015. This represents a drop of 4.67percent. The decline in the value of the company's assets is attributed to the depreciation in the value of shares held by the company during the second half of 2015. Total shareholders' equity declined from TZS 26.03 billion recorded during the year ended 30th December 2014 to TZS 24.66 billion recorded during the year ended 31st December 2015.

6.7. Monitoring of Dealers

With an exception of Core Securities Ltd, all the Licenced Dealing Members (LDM) submitted their respective audited financial statements for the year ended 31st December 2015. Core Securities Ltd was issued with a warning letter followed by a penalty for non-compliance with submission requirements. The performance of brokers for the financial year was mixed whereby some brokers had improved profits, while other broker's profit went down and other sustained losses. Zan Securities Ltd and Optima Corporate suffered a loss of TZS 14.36 million and 61.92 million respectively during the financial year ended December 2015. Vertex International Securities, EA Capital and Optima Corporate operated below the minimum required capital of Tanzania shilling equivalent of USD 250,000. All 3 firms were issued with a letter requiring them to prepare a capital build up plan that will provide their commitment for attaining the new minimum capital requirement of Tanzania shilling equivalent of USD 250,000. Firms whose capital is below the minimum statutory requirements are required to submit progress report on the implementation of their respective capital build up plan on semi-annual basis for review by the Authority.

Table 8: LDM performance for the period ended 30th June 2016

s/no	Brokerage firm	Audited FS 2015 (profit)	Audited FS 2014 (profit)	Shareholders Equity as at Dec 31, 2015
1	Orbit Securities	343,443,973	121,989,362	3,447,464,955
2	Core Securities*	-	158,869,000	-
3	Rasilimali	805,871,000	675,335,000	3,151,983,000
4	Tanzania Securities	264,728,178	570,028,370	2,316,790,653
5	Vertex International Securities	24,567,868	80,924,081	218,226,546
6	Solomon Securities	215,615,618	150,875,892	5,513,042,875
7	EA Capital	64,942,339	37,382,429	197,482,497
8	Optima Corporate	(61,919,849)	(636,370)	8,080,150
9	Zan Securities	(14,362,960)	181,278,398	1,324,721,919

* Failed to submit the financial statements

6.8. Improving the Market Infrastructure.

6.8.1. DSE and the Bank of Tanzania CSD linkage

The project to link DSE CSD with the BOT-CSD was progressing well. DSE CSD new Account Structure definition has been harmonized with those of the BOT-CSD. The second phase covering the development of New Bond registration and securities settlement messages was partially completed. The pending tasks to link the DSE and the BOT CSDs include: development of the appropriate feedback message for new client registration; development of the appropriate feedback for the new bond registration; development of the appropriate feedback for securities settlement; and development of securities transfers messages for secondary market transaction. The project is expected to be completed by 31st December 2016.

6.8.3. All registry functions merged into the CDS

The DSE continued to offer registry functions to its clients. New clients during the period were MUCOBA and Tanga Cement which joined the list of the following existing clients NICOL, TOL Gases, Swala Energy, Mkombozi Commercial Bank, Mwalimu Commercial Bank and Maendeleo Bank. The review of the CMS Act is expected to bring registry and CSD activities to a regulated regime and hence further minimise risk to investors.

6.8.5. Minimized Clearing and Settlement Risks

The CMSA continued to work with the DSE to improve market efficiency. As a first step in implementing the Project for separation of CSD from the operations of the DSE and establishment of an independent CSD Company, DSE has created a dedicated CSD Department to manage the CSD in the interim period. A CSD subsidiary company is in the process of being incorporated and the CSD Company was expected to submit to the CMSA an application for license in November 2016.

6.9. Improving the Market Structure

6.9.1. Demutualization of the Dar es Salaam Stock Exchange

The DSE was successfully demutualized after being listed on the Main Investment Market (MIM) of the DSE (self-listing) on Tuesday, 12th July 2016, and became the third Exchange in Africa to demutualize after Johannesburg Stock Exchange and Nairobi Securities Exchange.

Starting in the early 1990s, stock exchanges around the world have been undergoing major organizational and operational changes; one of these changes is demutualization.

The demutualization among others entailed changing the legal structure of the DSE from a company without shares, limited by guarantee to a company limited by shares. Successful completion of the demutualization of the DSE has facilitated the DSE Plc to have shareholders with issued and paid up share capital, to put in place a proper corporate governance structure of a public company limited by shares and to raise funds for its growth and expansion by introducing new products and services.

Demutualization of the DSE will increase the level of transparency, efficiency and flexibility in accommodating competitive dynamics with other markets in the region and beyond.

6.9.2 Appropriate Market Structure for Secondary Market Trading of Bonds

On August 2015, a consultant M/S Norton Rose Fulbright-South Africa was awarded a contract by the CMSA to commence an assignment on the development and operationalization of an appropriate market structure for secondary market trading of bonds in Tanzania. The Consultant conducted discussions with selected stakeholders to obtain their views which were used to prepare an inception report. An inception report was submitted and reviewed by the CMSA and other key stakeholders.

The Consultants set out three (3) potential Strategic Options for the Tanzanian market, each a market model which offers a potential route to liquidity in the secondary market. These strategic options are:-

- i) Strengthen the Exchange-Traded Spot Secondary Market for Bonds (i.e. through reforming the Dar es Salaam Stock Exchange PLC's existing structure);
- ii) Build an OTC market for Bonds; and
- iii) Establish a derivatives market for bonds, backed by a central counterparty clearinghouse (CCP).

The key stakeholders' recommendation is for Strategy Three (a derivatives market and Central Counterparty Clearinghouse CCP) in tandem with Strategy One (strengthen the DSE secondary spot market).

As at 30th June 2016, the consultant was preparing the report on the model recommended by the key stakeholders to enable the development and operationalization of an appropriate market structure for secondary market trading of bonds in Tanzania.

6.10. Updated Capital Adequacy Requirements to Encourage New Entrants and Mergers of Brokers

CMSA continued to enforce compliance with the minimum capital requirement of Tanzania shilling equivalent of USD 250,000 which was adopted by the EAC Partner states. All brokers and dealers with the exception of EA Capital Ltd, Optima Corporate Finance Ltd, Smart Stockbrokers and Vertex International Ltd had shareholders' funds greater than the prescribed minimum capital requirements. The four firms which failed to meet the minimum capital requirements were directed to submit capital build up plan which indicate how they can increase capital to comply with the statutory requirements.

6.11. EAC Provisions for Risk Based Capital Adequacy

The new Financial Resources Requirements for market intermediaries which have taken into consideration the EAC provisions on risk based capital adequacy was prepared and shared by the market intermediaries for comments. Market intermediaries' comments were being awaited to finalize the new capital framework.

6.12. Operationalization of the Commodities Exchange.

The CMSA as the Government implementation agent for the establishment of the commodity exchange in the country continued to progress activities of operationalizing the commodity exchange. In that regard the TMX Rules Book has been prepared and awaits to be approved by the TMX Board and subsequently by the Authority. Preparation of commodity contracts has also been initiated. Office partitioning and implementation of digital network design at the TMX office premises and trading floor at the new LAPF Tower Kijitonyama Dar es Salaam was initiated and expected to be completed before the end of the second quarter of year 2016/17.

The following activities were completed during the year:-

- i) Commodity Exchange bill was passed by the Parliament on 30th June 2015 and assented by the President on 4th August 2015.
- ii) Commodity Exchange Regulations were gazetted on 29th April 2016 with G.N No. 146 of 2016.

- iii) Prepared Tanzania Mercantile Exchange Rules;
- iv) Five applications for Commodity Exchange Brokers license and their representative have been reviewed and approved by the corporate Approval and Licensing Committee of the Authority.
- v) The Consultancy Assignment to Conduct Gap Analysis of the Warehouse Receipt System and the Commodity Exchange business plan reached a satisfactory stage. The Consultant submitted draft report which was reviewed by CMSA and other key stakeholders and comments were communicated to the Consultancy firm. The Consultant submitted a revised report which was tabled at the stakeholders' workshop on 4th November 2016. The Consultant has now submitted a final draft report which is being reviewed by the CMSA and other key stakeholders for final comments.
- vi) The CMSA conducted a working tour of warehouses in Lindi and Mtwara to assess the condition of the warehouses facilities and the readiness of the warehouse receipt system in cashew and sesame seeds to support commencement of trading in the exchange by September 2016.
- vii) The Tanzania Mercantile Exchange was launched by the former President of the United Republic of Tanzania Dr. Jakaya Mrisho Kikwete on 30th October 2015 at the Serena Hotel Dar es Salaam.
- viii) The CMSA conducted a Certification Course for the Commodity Exchange Traders and Market Intermediaries from 13th to 31st July 2015 in Dar es Salaam. 65 candidates attended the course. The course instructors were world class renowned experts in commodity exchange operations from Ethiopia and India.

6.13. Broadening and Deepening the Market

6.13.1. Corporate Bonds

The following corporate bonds were approved in the financial year 2015/16:

- Exim Bank (T) Ltd issued 6-year Exchange Traded Retail Bond worth TZS 10.0 billion with a green shoe option up to 50percent. The total amount raised from the bond issue was TZS 19.967 billion, representing 99.67percent oversubscription. The total amount allotted was TZS 14.95 billion while the total amount refunded was TZS 5.05 billion which was in line with the maximum amount for the green shoe option approved by the Authority. The bond was listed on the DSE on 26th February 2016.
- NMB Bank Plc Medium Term Note (MTN) Programme worth TZS 200 billion. The offer for the first tranche was opened on 09th May 2016 and closed on 08th June 2016. The total

amount raised was TZS 41,406,364,000 compared to the targeted TZS 20,000,000,000, representing 107percent oversubscription. The issuer was allowed to retain TZS 41,406,364,000 since the raised amount is within the approved total amount of the MTN Programme of TZS 200,000,000,000

6.13.2. Treasury Bonds

During the financial year ending 30th June 2016 the Bank of Tanzania offered Treasury bonds worth TZS 1.64 trillion for all maturities, which is equivalent to 23 percent increase compared to TZS 1.33 trillion issued during the year ending June 2015. The Bank accepted bids worth TZS 0.943 trillion cumulatively for all maturities.

6.13.3. Equities Product

The following equity products were approved by the CMSA and issued to the public in the financial year 2015/16:

- Application by Mwalimu Commercial Bank Plc (In Formation) to offer 50,000,000 Ordinary Shares at a price of TZS 500 per share. A total of TZS 31 billion were raised representing an oversubscription of 124percent. The bank was listed on the Enterprise Growth Market (EGM) at the DSE on 27th November 2015, where the Guest of honor was the Prime Minister of the United Republic of Tanzania, Hon. Majaliwa Kassim Majaliwa.
- Application by YETU Microfinance Plc to raise TZS 12.59 billion by selling 25,193,2134 ordinary shares at a price of TZS 500 per share. A total of TZS 6.056 was raised compared to TZS 12.59 billion, a subscription rate of 48percent. The issuer was allowed to retain the amount since the amount was above statutory requirement of TZS 5.0 billion required for the regulated microfinance institution license issued by the Bank of Tanzania. The Bank was listed on the Enterprise Growth Market (EGM) at the DSE on 10th March 2016, where the guest of honor for the event was the Deputy Minister of Finance and Planning of the United Republic of Tanzania, Hon. Ashantu K. Kijaji.
- Application by Mufindi Community Bank Plc to raise TZS 5.0 billion by selling 20,000,000 ordinary shares at the price of TZS 250 and list on the Main Market Segment. The amount raised was TZS 2.04 billion, a subscription rate of 40.78 percent. The issuer was allowed to retain the amount raised since the amount was above the statutory requirement of TZS 2.0 Billion required for the community bank license issued by the Bank of Tanzania.
- The CMSA also approved the DSE IPO as part of demutualization process on 16th May 2016. The IPO was closed on 03rd June 2016 aimed at raising TZS 7.5 billion from the sale of 15 million shares at a price of TZS 500 per share. The IPO raised TZS 35.77

billion, representing 377 percent oversubscription or 4.77 times the anticipated amount. DSE obtained approval from the CMSA to enhance the green shoe option from 10 percent (TZS 750 million) to 35 percent (TZS 2.63 billion). The Authority also approved the allotment as follows; applicants for the first TZS 5 million (10,000 shares) were given full allocation, applicants above TZS 5 million (10,000 shares) were allotted on pro-rata basis and full allocation of 3 percent of issued shares to DSE staff. The DSE was listed on the Main Investment Market (MIM) of DSE (self-listing) on Tuesday, 12th July 2016 under the ticker “DSE”. DSE PLC became the eighteenth Tanzanian company and the twenty fifth (25) company overall to be listed at the Exchange.

- The CMSA approved an application by Jubilee Holdings Ltd for a bonus issue of 5,989,500 ordinary shares of Kshs 5 by capitalizing the retained earnings amounting to Kshs 29,947,500. The basis of the bonus issue was 1 new ordinary share for every 10 existing shares held.
- The CMSA approved an application by Diamond Trust Bank Plc for a rights issue of 5,814,989 ordinary shares at a price of TZS 5,200 per share in order to raise TZS 30.24 billion. The basis of the rights issue was 3 new ordinary shares for every 10 existing ordinary shares held. The shares issued were fully taken up.
- The CMSA approved an application by Maendeleo Bank Plc to issue additional 5,567,523 ordinary shares at a price of TZS 510 per share, whereby a total of TZS 2.8 billion was collected from 1,043 subscribers. The price of TZS 510 is a discount of 15 percent from the market price of TZS 600. The listing of additional 5,567,523 ordinary shares on the EGM Market segment at the DSE increased the total number of Maendeleo Bank Plc listed shares from 9,066,701 listed on 4th November 2013 to 14,634,224 on 23rd March 2016.

6.13.4 Collective Investment Schemes

During the year ended June 2016, the portfolio of investment by Watumishi Housing Plc expanded to 34,881,447,400 billion from 11,364,027,400 billion as at the end of financial year 2015, representing 206.9 percent increase. Unit holders for the scheme included pension funds and institutional funds. The main objective of the Real Estate Investment Trust (REIT) is to operate a scheme for construction and selling of houses to public servants. The fund will operate on a closed end basis for three years (that is up to 2017) after which will be opened for investors from the public.

Table 9: Report of Fund under Management for the period ended 30th June 2016

S/N	Client Category	Number of Clients	Size of Funds under Management in TZS	
			2014/15	2015/16
1	Private Client Funds	-		
2	Institutional Funds	2	2,143,621,000	10,896,000,000
3	Pension Funds	5	9,220,406,400	23,985,447,400
4	Other Funds	-		
	Total	7	11,364,027,400	34,881,447,400

6.14. Implementation and operationalization of a micro savings product

“M-AKIBA Bonds”

In December 2015, the consultant Bose Consulting Ltd (BCL) from London, UK was awarded a contract by the CMSA to commence the assignment on the implementation and operationalization of a micro savings product “M-AKIBA Bonds”.

The objective of this assignment is to implement and operationalize a Micro Savings Product “M-Akiba Bonds” aimed at:

- a) Attracting retail investors to capital markets through the creation of a new products and infrastructure, thereby increasing financial literacy and overall percentage inclusion of the population in the capital markets, and
- b) Bringing transactions, liquidity and revenue to the capital markets and allow wider participation of the Tanzanian population including bringing unbanked money into the capital markets while also encouraging and increasing savings.

As at 30th June 2016, the Consultant had finalized the inception report which was approved by the CMSA and paved way for the Consultant to work on the detailed report that will come up with the recommendation of the model for the implementation and operationalization of a micro savings product “M-AKIBA Bonds” in Tanzania.

6.15. Increasing the Number and Capacity of Intermediaries in the Market

The following securities industry trainings intended for increasing capacity and number of intermediaries were conducted:

- Derivative Markets Certification Course (DMCCs) from 09th to 20th November 2015. The objective of the course was to develop skills for development of derivative products in the capital markets in Tanzania. The course was attended by 95 participants whereby 87 candidates passed the examination and are now eligible for CMSA’s license as licensed

Derivative Traders under the Capital Markets and Securities (Licensing) Regulation. Graduation ceremony for the successful candidates was conducted on 19th October 2016 from 14:00 to 17.30 hrs at the Julius Nyerere International Convention Centre (JNICC), where the guest of honor for the event was the Deputy Minister of Finance and Planning of the United Republic of Tanzania, Hon. Dr. Ashantu K. Kijaji.

- The CMSA in collaboration with the Efficient Securities Markets Institutional Development (ESMID) Africa organized a roundtable capacity building breakfast seminar on opportunities of raising funds through Tanzania's corporate bond markets. The roundtable seminar was held on 24th February 2016 at the Hyatt Regency-Kilimanjaro Hotel in Dar es Salaam and involved 52 capital markets intermediaries and other stakeholders.

6.16. Collaboration between CMSA and CISI UK

The CMSA progressed collaboration with the Chartered Institute of Securities and Investment (CISI) of the United Kingdom (UK) which aims at conducting the Securities Industry Certification Course (SICCs) recognized globally. The CMSA mapped the SICCs and CISI syllabuses in line with a Memorandum of Understanding (MOU) between the two parties to promote and offer global certification of capital markets professionals in Tanzania.

Through this collaboration CMSA will be able to address the growing need in Tanzania for globally qualified professionals in various areas of the capital markets industry including investment management, corporate finance, compliance, risk management and operations.

The SICCs/CISI Training for CMSA staff and potential trainers from higher learning institutions has been scheduled to be conducted in December 2016 and launching of the training to market players will be conducted in the January 2017.

6.17. Implementation of Key Legal Developments

The major focus with regard to legal affairs and institutional framework during the financial year 2015/2016 was to facilitate the implementation of the Commodity Exchanges Act, 2015 that was passed by the Parliament on 29th June, 2015. In view of this major goal, in the first quarter of the period under review, the Commodity Exchanges Act was reviewed to identify areas for regulation making, the Commodity Exchanges Regulations were drafted, scrutinized and circulated to stakeholders for their comments in late October, 2015. The regulations were approved by the Board in December, 2015 and were gazette in the Government Gazette of 29th April, 2016 as G.N. No: 146 of 2016.

Developing a new Capital Markets Act with a view of updating the current legislation in line with new developments and best international practices was also another major focus in the legal front. This was necessitated by the decision of the Government in the FY 2014/2015 to pursue the development of the Commodity Exchange Act separately rather than having one legislation for both capital markets and Commodity exchanges.

The development of the new Capital Markets Act had a bearing to the implementation of other activities such as the compliance of IOSCO standards For Regulation of FMIs by virtue of inclusion of provision for establishment and regulations of CSD's and clearing houses. It also had bearing to the domestication of EAC directives in terms of inclusion of provisions that apply the EAC directives in Tanzania if the CMSA has expressed no reservation.

6.17.1. Development of Regulations to Address Regional and International Best Practices.

Following the decision to focus on Commodity Exchange Regulations and the new Capital Markets Act, the plan for development of regulations to address regional and international best practice planned for the FY 2015/2016, was postponed to the next financial year. These regulations include regulations for corporate registrars, regulation for oversight of CSD's, revision of the current CIS regulations to improve its clarity, development of regulations for EAC Cross border settlement mechanism, updating regulations on REITs, implementation of concentration rules for the DSE and updating the Conduct of business regulations, and initiatives to comply with IOSCO Standards for Regulation of FMIs (i.e. Development of regulations for licensing and oversight of CSDs; licensing of a national CSD) and Domestication of the EAC Council directives on Capital Market regulation.

During the period under review and as part of major milestone for demutualization of the DSE, it was planned that a subsidiary company would be established by the DSE to carry out the securities depository functions that were carried by the DSE's itself. It was also agreed that the subsidiary company would be wholly owned by the DSE.

6.17.2. Increasing Number of Intermediaries in the Market

During the year 6 applications for commodity exchange brokerage/ dealership had been received and were undergoing pre licensing scrutiny which include on sight visitation to establish their place of business and operational aspects. The next step was to submit recommendations to the board for grant or other wise of the licences they applied for.

During the period under review, an number of applications for licences were received and approved including 1 Investment Adviser's license (Fund Management category); 1 Investment Adviser's representatives' Licence; 7 Investment Adviser's license and 7 Investment Adviser's representative's licences; 1 Custodian of Securities licence; 1 Nominated Adviser's licence,

1 Nominated Adviser's Representative licence; 3 Broker/Dealer's licences; 9 Securities Authorized Dealer's Representative Licences: 2 Dealer's license (bond trading category); 4 Authorized Dealers Representatives(Bond Trading category) licences; 6 Commodity Broker's licences and 8 Commodity Brokers Representatives licences.

6.17.3. Periodic Assessment of the Status of Compliance with the IOSCO Objectives and Principles

During the period under review, the Board resolved that quarterly self-assessment should be undertaken and submitted to the board as part of Monitoring and Evaluation Report in compliance with IOSCO standards for regulation of FMIs. This exercise was to commence immediately after the establishment of a separate CSD and improvement of the systems and infrastructure for trading, payments and settlement of securities.

6.17.4. Update Capital Adequacy Requirements to Encourage New Entrants and Mergers of Brokers;

The new capital adequacy requirements for market intermediaries were updated and approved by the Authority during the 101st Extra-ordinary meeting held on 10th July, 2015.

The drafting of the financial resources regulations depended on the development of business requirements for each category of market intermediary. By the end of the financial year, a research was conducted on the practices in other jurisdiction with a view to developing the appropriate financial resource regulations that are based on business requirements. The recommendations from the research will be the basis for drafting of the financial resources regulations which was expected to be carried out in the next financial year.

6.17.5. Mutual Recognition of Regulators

Obtaining formal, bi-lateral MOUs with other relevant markets was also part of the implementation targets for the year under review. Ghana, Nigeria, Malaysia, Ethiopia, South Africa, Australia, Canada, Bahrain were earmarked as potential partners with whom MOUs could be signed.

During the period under review, the MoU between the FSC of Mauritius and the CMSA Tanzania was finalized in March 2016 and was signed in fourth quarter of the financial year 2015/2016.

6.17.6. Coordination of Board Meetings

During the period under review, the Authority held 11 meetings including four (4) Ordinary meetings and six (7) Extra Ordinary meetings. Various Committees of the Authority also held 11 meetings in total.

6.18. Regional and International Cooperation

CMSA was represented in the following regional and international fora during the year under review:

- the EAC Technical Working Group (TWG) appointed by the EAC's Capital Markets, Insurance and Pensions Committee to develop EAC Securities legal and regulatory framework held from 28th September to 3rd October, 2015 at Top Tower Hotel, Kigali Rwanda;
- being the member of the National Committee on the Anti Money Laundering and Counter Terrorist Financing was represented in the 15th Eastern and southern Africa Anti-Money Laundering Group (ESAAMLG) Council of Ministers meeting held on the 28th August, 2015 in Johannesburg, South Africa;
- the 42nd EASRA meeting held at Nairobi Safari Club Lilian Towers All Suites Hotel, Nairobi, Kenya, from 6th – 8th July, 2015 and the 43rd EASRA Meeting held at Arusha international conference Centre, Arusha Tanzania from 4th – 6th April, 2016.
- the 13th Annual African Capital Markets Conference and Pre-Conference Workshop which was held in Cape Town, South Africa from 25th to 27th November, 2015

6.19. Operationalization of Capital Markets Tribunal

On 8th March 2016, the Ministry of Finance and Planning was reminded of the need to appoint members of the Capital Markets Tribunal and the Ministry directed CMSA to propose names of the candidates who have expertise and knowledge in capital markets issues for consideration by the Ministry.

In May, 2016, Hon. Ferdinand Katipwa Wambali informally informed CMSA that he had received a letter from Chief Justice appointing him a Chairman of the Capital Market Tribunal and was contemplating accepting the appointment.

On 7th July 2016, the media carried out information on appointment of Hon. Ferdinand Katipwa Wambali as Principal Judge (Jaji Kiongozi). By the end of the financial year, follow up continued to be made with the Ministry of Finance to ensure that the appointment of the Chairman and members of the Capital Markets Tribunal are made.

6.20. Implementation of National Financial Inclusion Framework for the Securities Industry

6.20.1. Use of Technology

The use of mobile telephone technology in the capital markets and conducting public and investors' awareness programs has resulted in substantial increment of investors in the capital

markets and has enabled the following:

- Increasing the number of equity capital market participants from 435,000 during the year ended 30th June 2015 to 472,344 during the year ended 30th June 2016, representing an increase of 8.5 percent. Out of the total participants 471,501 were local investors including retail investors from upcountry and 843 were investors from foreign countries;
- Surpassing one of the goals under the National Financial Inclusion Framework of increased proximity and accessibility to financial services and products. The use of mobile telephones for participating in the capital markets facilitated prospective investors in any location to access capital markets products.
- Enabled CMSA to register an increased usage of capital markets products to 5percent surpassing the set target of 2.5percent of the adult population that have invested in securities by end of 2016.

This endeavor has made history for Tanzania in that it became the first in the Eastern and Southern African regions to facilitate the purchase of shares in the IPOs by using mobile telephone technology.

6.20.2. Public Education and Awareness Programmes

Different public awareness programmes were conducted during the year to the wider public through distribution of printed materials and seminars to different groups including physically challenged persons. The following are some of the public awareness programmes conducted during the year:

- **Capital Markets Literacy Initiatives with Respect to Higher Learning Scholars**

The Capital Markets Universities and Higher Learning Institutions Challenge (CMUHLIC) for year 2016 was finalized on 10th September 2016 where a total of 7,791 students participated countrywide.

The CMUHLIC is a competition that is open to undergraduate students in universities and other higher learning institutions in Tanzania. The primary objective of the challenge is to enhance financial literacy of students in universities by testing their knowledge and understanding of issues related to capital markets. It also tests their ability to apply their knowledge of capital markets to real life situations thus facilitating financial inclusion and enhancing financial literacy.

The challenge involved a quiz competition which was conducted through the use of mobile phones and an essay writing competition titled ***“Opportunities and benefits of using capital markets in financing businesses and development projects”***, whereby candidates submitted their essays through email.

The award ceremony for the winners of the challenge which received live coverage on television was conducted on 19th October 2016 at the Mwalimu Julius Nyerere Convention Centre, where the Deputy Minister for Finance and Planning of the United Republic of Tanzania Hon. Ashantu Kijaji was the Guest of honour.

- **Commodity Exchange Awareness Seminars to the General Public**

Phase 1 Regional Tour Commodity Exchange Awareness Program was conducted from 28th February to 10th March 2016 covering 6 regions of Morogoro, Dodoma, Singida, Lindi, Mtwara and part of Ruvuma covering 22 districts.

- **Commodity Exchange Awareness programme for the Policy Makers**

Commodity exchange Presentations were also made to the members of the Board of Directors Cashew nuts Board, Senior Management and Cashew nuts Industry Development Trust and to members of Parliament's Committee of Agriculture, Livestock, Water and Industry, Trade and Environment and to 33 members of Parliament from cashew nuts growing area.

- **Commodity Exchange Awareness Programme for the Key Stakeholders**

The CMSA organized a two days high level policy maker's sensitization seminar which was held at the Bank of Tanzania Conference Centre in Dar es Salaam from 29th to 30th July 2015.

- **Preparation and Printing of Commodity Exchange Awareness Materials**

Awareness materials for sensitizing and promoting the establishment of the commodity exchange were prepared and printed. The printed materials include a set of 6 booklets with basic information about the warehouse receipt system and commodity exchange operations printed in Kiswahili and English versions.

16.20.2. Improving the CMSA Retail and Institutional Profile

With regard to enhanced public image of CMSA institutional profile press interviews were conducted during all major events throughout the year and were published in major news outlets such as television, radio, newspapers and the electronic media.

In order to ensure capital markets information is appropriately published in the media, scanning of news related to capital markets and commodity exchange on television, radio, print and electronic media was conducted and will continue to be carried out. The year under review attracted comprehensive capital markets news coverage in the main stream news and electronic media outlets.

6.21. Employees Welfare

6.21.1. National Health Insurance Fund (NHIF)

The Authority provides medical insurance to its staff and their families through NHIF. And during the year under review, medical services provided were satisfactory.

6.21.2. Training

The Authority continued to strengthen its work force by enabling its staff to attend various courses both locally and internationally. During the period under review, seven management staff attended foreign courses related to securities industry, five technical staff attended local courses related to supervisory and technical skills and four support staff attended local courses related to office management and administration skills.

In order to improve the morale of the staff, the Authority will continue to train its staff depending on the availability of funds and travel permits from the relevant authorities.

6.21.3. Recruitment

The Authority continued to fill all vacant posts by recruiting new staff. During the period under review, the posts for Manager Legal Enforcement and Financial Analyst I were filled and the employment permits for the posts of Procurement Officer II, Human Resources Officer II, Records Management Assistant II, four legal officers II, four Financial Analysts II, two Planning Officers II and three directors were obtained.

6.22. Market Challenges

- i. The market is highly concentrated as out of 16 domestic listed companies 5 companies contribute more than 92 percent of market capitalization.
- ii. Limited market liquidity which is contributed mainly by buy and hold behavior among investors.
- iii. Narrow market depth and width which is aggravated by preference of family owned business as opposed to public companies. This coupled with limited free float provide a little diversification room for investors;
- iv. The market is vulnerable to macroeconomic performance leading to decline in profitability of listed entities.
- v. Existence of dual standalone registry for government securities which pose risks on finality of ownership of listed government securities;
- vi. Fewer institutional investors in the markets, the market depends on few institutional investors mainly pension funds;

- vii. Absence of strong market intermediaries who can serve as market makers;
- viii. Low financial literacy on the part of Tanzanians;
- ix. Settlement risks - the market prefunding model is not adhered to by all investors;
- x. Lapses in corporate governance in some listed entities which erode investors' confidence.

6.23. Future Outlook

In the next financial year, CMSA's activities will include the following:

- i. Continue engaging the Government for the enactment of a new Legislation which will entail the review of regulatory framework for capital markets to promulgate a new capital markets legislation
- ii. Under the Commodity Exchange Steering Committee chaired by the Permanent Secretary Prime Ministers' Office, CMSA is progressing activities such as finalization of the TMX Rules Book and preparation of contracts to enable commencement of trading at the Tanzania Mercantile Exchange during the financial year 2016/2017.
- iii. Work with the Ministry of Finance and Planning on finalization of Capital Markets Policy which will provide the background for establishing the Capital Markets Master Plan. The master plan is expected to provide a nationally coordinated direction on how different sectors of the economy can use and benefit from capital markets and hence make the capital markets an engine for growth of the economy.
- iv. To conduct a baseline survey of public unlisted companies, findings of which will assist in putting in place disclosure requirements for public unlisted companies and periodical reporting requirements for public unlisted companies to the CMSA.
- v. Improving investor protection. The key goal under this objective will be to ensure that Tanzanian listed and non-listed public companies adhere to good corporate governance.
- vi. Increasing Investor awareness and Public Education Programme. This objective is expected to be accomplished by improving educational materials and continuation in conducting various public awareness programmes.
- vii. Strengthening the enforcement function. As operations in the market in terms of intermediaries and transactions increases, so do regulatory challenges associated with them. This will entail:-
 - To operationalize the Securities Tribunal in order to handle disputes in the securities industry.
 - Recruit and train staff in enforcement issues and following up on the appointment of Securities Tribunal members.

7.0. FINANCIAL REPORT

7.1. An Overview of the Financial Statements

Presented below are the Financial Statements of the CMSA for financial year 2015/2016. As has been in previous financial years, a Clean Opinion has been issued on the CMSA's Financial Statements by Controller and Auditor General, who is the statutory auditor of CMSA by virtue of article 143 of the constitution of the United Republic of Tanzania, amplified in the section 30 (1) (c) of the Public Finance Act No. 6 of 2001 (revised 2004). However, in accordance with section 37 (5) PricewaterhouseCoopers were authorized to carry out the audit of CMSA on behalf of the Controller and Auditor General.


There were four main sources of revenue for the Authority: Government subvention, the Bank of Tanzania support, Donors, and internally generated revenue. Major components of the internally generated revenue were prospectus fees, fees on transactions taking place at the DSE and income from short term investments.

7.2. Statement of Directors Responsibility for the Year ended 30th June 2016


The CMSA Act requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit for the year. It also requires the directors to ensure that the CMSA keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the CMSA. They are also responsible for safeguarding the assets of the CMSA and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the CMSA Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the CMSA and of its surplus in accordance with International Public Sector Accounting Standards (IPSAS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.



Director
Date 21/12/2016



Director
Date 21/12/2016

7.3. Declaration of the Head of Finance for the Year Ended 30th June 2016

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Exaut Julius being the head of finance of Capital Markets and Securities Authority (CMSA) hereby acknowledge my responsibility of ensuring that financial statements of the year ended 30 June 2016 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Capital Markets and Securities Authority (CMSA) as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

A handwritten signature in black ink, appearing to read 'Exaut Julius', written over a horizontal line.

Position:

Head of finance

NBAA Membership No:

T.ACPA 1756

Date:

20/12/2016

To: Chairperson
Capital Markets and Securities Authority
PO Box 75713
6th Floor, PPF Tower
Corner of Ohio Street and Garden Avenue
Dar es Salaam

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF CAPITAL MARKETS AND SECURITIES AUTHORITY FOR THE YEAR ENDED 30 JUNE 2016

I have audited the accompanying financial statements of Capital Markets and Securities Authority which comprise the statement of financial position as at 30 June 2016 and the Statements of Financial Performance, Changes in Net Assets, Cash Flows and Comparison of Budget and Actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes set out from pages 14 to 47 of this report.

Directors' Responsibility for the financial statements

The Board of Directors of Capital Markets and Securities Authority is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and in compliance with Capital Markets and Securities Authority Act No. 5, 1994. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an independent opinion on these financial statements based on the audit. The audit was conducted in accordance with International Standards on Auditing (ISA) and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal controls relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

REPORT OF THE INDEPENDENT AUDITOR FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

Responsibilities of the Controller and Auditor General (Continued)

In addition, Sect. 10 (2) of the Public Audit Act (PAA), CAP.418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect 48(3) of the Public Procurement Act 2011, CAP.410 and the Public Procurement (Goods, Works, Non-consultant services and Disposal of Public Assets by Tender) Regulations of 2013 requires me to state in my annual audit report whether or not the Authority has complied with the provisions of the Law and its Regulations.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Capital Market and Securities Authority as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards and in compliance with Capital Markets and Securities Authority Act No. 5, 1994.

Report on other legal and regulatory requirements

Compliance with procurement Act

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions and processes I reviewed as part of this audit, I state that Capital Markets and Securities Authority has generally complied with the Public Procurement Act, CAP.410 and its related Regulations of 2013.

A handwritten signature in black ink, appearing to read 'Mussa J. Assad', with a long horizontal line extending to the right.

Prof. Mussa J. Assad

CONTROLLER AND AUDITOR GENERAL

National Audit Office

Dar es Salaam, Tanzania



FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF FINANCIAL PERFORMANCE

	<u>Note</u>	<u>2016</u> TShs'000	<u>2015</u> TShs'000
INCOME			
Revenue from non - exchange transactions			
Government Subvention	4	2,660,875	1,893,456
Grant	4	53,046	120,884
Other non-exchange transactions	4	86,854	16,553
Revenue from exchange transactions			
Fees	5	3,259,783	3,248,111
Other income	5	190,354	91,827
		6,250,912	5,370,831
Net gain on foreign exchange		19,348	186,644
		6,270,260	5,557,475
EXPENSES			
Staff costs	6	(2,170,008)	(1,792,876)
Administrative expenses	7	(1,051,724)	(925,389)
Market development, cooperation and training expenses	8	(790,397)	(684,568)
Depreciation and amortization	12,13,14	(108,782)	(160,628)
Other operating expenses	9	(225,879)	(128,654)
		(4,346,790)	(3,692,115)
Surplus for the year		1,923,470	1,865,360

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

STATEMENT OF FINANCIAL POSITION

	Note	2016 TShs'000	2015 TShs'000
Non-current assets			
Property and equipment	12	442,795	4,675
Intangible assets	13	6,908	13,791
Leasehold land	14	1,191,816	1,216,139
Receivable from non-exchange transactions	15	378,173	210,998
Total non-current assets		2,019,692	1,445,603
Current assets			
Receivable from exchange transactions	15	264,078	309,291
Receivable from non-exchange transactions	15	308,836	303,013
Prepayments	15	415,768	33,666
Financial assets at amortized costs	20	3,439,303	3,183,075
Cash and cash equivalents	16	1,572,931	1,202,023
Total current assets		6,000,916	5,031,068
TOTAL ASSETS		8,020,608	6,476,671
FUNDS AND RESERVES			
Special funds	10	4,217,196	2,677,537
Accumulated Surplus		2,582,635	2,159,165
Total funds and reserves		6,799,831	4,836,702
Non-current liabilities			
Capital grants	11	427,646	170,865
Current liabilities			
Deferred income	17	-	874,481
Payables and accrued charges	18	793,131	594,623
Total current liabilities		793,131	1,469,104
TOTAL EQUITY AND LIABILITIES		8,020,608	6,476,671

The financial statements on pages 14 to 47 were approved for issue by the Board of Directors on 14/12/2016 and were signed on its behalf by:



Director



Director

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

STATEMENT OF CHANGES IN NET ASSETS

	Special Funds TShs'000	Accumulated Surplus TShs'000	Total TShs'000
Year ended 30 June 2016			
At 1 July, 2015	2,677,537	2,159,165	4,836,702
Reallocation of funds for office building	1,500,000	(1,500,000)	-
Surplus for the year	-	1,923,470	1,923,470
Deposit for license	1,200	-	1,200
Interest income (Note 10)	38,459	-	38,459
At 30 June, 2016	4,217,196	2,582,635	6,799,831
Year ended 30 June 2015			
At 1 July, 2014	2,623,672	293,805	2,917,477
Surplus for the year	-	1,865,360	1,865,360
Deposit for license	1,200	-	1,200
Interest income (Note 10)	52,665	-	52,665
At 30 June, 2015	2,677,537	2,159,165	4,836,702

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

STATEMENT OF CASH FLOWS

	Notes	2016 TShs'000	2015 TShs'000
Operating activities			
Cash generated from operations	23	602,991	2,316,432
Interest received		36,858	30,379
Net cash from operating activities		639,849	2,346,811
Investing activities			
Purchase of plant and equipment		(515,696)	(3,344)
Capital grant		309,827	-
Purchase of intangible assets		-	(20,670)
Investment in fixed deposits		(4,340,403)	(3,067,118)
Maturities of fixed deposits		4,237,671	1,850,336
Net cash utilized in investing activities		(308,601)	(1,240,796)
Financing activities			
Increase in special fund		39,659	1,200
Net cash flow from financing activities		39,659	1,200
Increase in cash and cash equivalents		370,908	1,107,215
Movement in cash and cash equivalents			
At 1 July, 2015		1,202,023	94,808
Increase		370,908	1,107,215
At 30 June, 2016	16	1,572,931	1,202,023

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

For the year ended 30th June 2016

Budget line item

	Budget Amount TShs' 000	Actual Performance TShs' 000	Variance TShs' 000	Variance %
Revenue				
Government Subvention – Ministry of finance	3,035,334	1,985,875	1,049,459	35%
BoT subvention	674,850	675,000	(150)	0%
Other Income	3,027,061	3,536,991	(509,930)	-17%
Amortization of capital grant	75,778	53,046	22,732	30%
Net gain on foreign exchange	-	19,348	(19,348)	-100%
Total income	6,813,023	6,270,260	421,879	-52%
Expenses				
Staff Costs	3,194,876	2,170,008	1,024,868	32%
Administrative expenses	1,955,015	1,051,724	903,291	46%
Market development , Cooperation & training	1,320,392	790,397	529,995	40%
Depreciation and amortization	-	108,782	(108,782)	-100%
Other operating expenses	342,740	225,879	116,861	34%
Total expenses	6,813,023	4,346,790	2,466,233	53%
Surplus for the year	-	1,923,470		

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

For the year ended 30th June 2015

Budget line item

Budget line item	Budget Amount TShs' 000	Actual Performance TShs' 000	Variance TShs' 000	Variance %
Revenue				
Government Subvention – Ministry of finance	3,033,337	1,280,456	1,752,881	58%
BoT subvention	613,000	613,000	-	0%
Other Income	1,229,102	3,356,491	(2,127,389)	-173%
Amortization of capital grant	220,628	120,884	99,744	45%
Net gain on foreign exchange	-	186,644	(186,644)	-100%
Total income	5,096,067	5,557,475	(461,408)	-170%
Expenses				
Staff Costs	2,616,352	1,792,876	823,476	31%
Administrative expenses	1,708,239	925,389	782,850	46%
Market development , Cooperation & training	562,879	684,568	(121,689)	-22%
Depreciation and amortization	-	160,628	(160,628)	-100%
Other operating expenses	208,597	128,654	79,943	38%
Total expenses	5,096,067	3,692,115	1,403,952	-6%
Surplus for the year	-	1,865,360		

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES

1 GENERAL INFORMATION

Capital Markets and Securities Authority (CMSA) is a government Agency established to promote and regulate securities business in the country. It was established under Capital Markets and Securities Act, 1994.

The address of its registered office is:
Capital Markets and Securities Authority
6th Floor, PPF Tower
PO Box 75713
Dar es Salaam
Tanzania

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The Authority first adopted International Public Sector Accounting Standards (IPSAS accrual basis) during the financial year ended 30 June 2016. The Authority previously reported under International Financial Reporting Standard (IFRS). The accounting policies and assumptions adopted in these financial statements are consistent with those of the previous financial year, except where the accounting or reporting requirements of IPSAS standard are different to requirements under IFRS.

The changes to accounting policies and disclosures caused by first time application of accounting standards relates to IPSAS 1: Presentation of Financial Statements. There is a minor difference between IPSAS 1 and the equivalent IFRS standard. These differences have an effect on disclosure only. The main change in disclosure resulting from the application of IPSAS 1 is on Receivables and revenue from exchange and non-exchange transactions. In the financial statements of the previous financial year, receivables and revenue were presented as a single total in the statement of financial position and statement of Financial Performance respectively. However, IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affected the presentation of both current and comparative receivables figures.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Preparation (Continued)

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (**IPSAS**). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS), rounded to the nearest thousand. The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

(b) Foreign currency translation

(i) *Functional and presentation currency*

The financial statements are presented in Tanzania Shillings (TZS), which is the Authority's functional and presentation currency as per **IPSAS 4**. Items included in the financial statements have been measured using the currency of the primary economic environment in which the Authority operates.

(ii) *Transactions and balances*

Transactions in foreign currencies during the year are converted into Tanzania Shillings at rates prevailing at the transaction dates. Monetary items denominated in foreign currency are translated using the exchange rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the date of initial recognition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in surplus or deficit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

The Authority recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Authority's activities as described below.

The amount is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from non-exchange of transactions

Government subsidies and grants

Revenues from non-exchange transactions with the government are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably as per **IPSAS 23**.

Government grants are not recognized until there is reasonable assurance that the Authority will comply with the conditions attached to them and that the grants will be received. Government grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognized as capital grants in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets. Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in statement of financial performance in the period in which they become receivable.

Revenue from exchange of transactions

According to **IPSAS 9**, this include the gross inflow of economic benefits or services potential during the reporting period when those inflows result in an increase in net asset/equity, other than increases relating to contributions from owners.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition (Continued)

Revenue from exchange of transactions (Continued)

Transaction fee

Transactions fees are recognized when the trade of securities at the Dar es Salaam Stock Exchange has been concluded. The chargeable fee is 0.14% of the transaction consideration.

Prospectus Evaluation Fees

Prospectus evaluation fees are recognized on receipt of a draft prospectus from a market participant wishing to list securities publicly. The amount of fee is based on a graduated scale depending on the value of the securities.

License Fees

License application and renewal fees are recognized on receipt of the application and when the licenses have been granted or renewed.

Interest income

Interest income is recognised for all interest-bearing instruments using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

(d) Financial Assets

(i) Classification

Financial assets within the scope of **IPSAS 29** Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

All financial assets of the Authority are in the category of loans and receivables, based on the purpose for which the financial assets were acquired.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Assets (Continued)

(i) *Classification (Continued)*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Authority's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

(ii) *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Authority commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Authority or the counter party.

(iv) *De-recognition*

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has subsequently transferred all risks and rewards of ownership.

(v) *Impairment of financial assets*

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Assets (Continued)

(v) *Impairment of financial assets (Continued)*

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit. As a practical expedient, the Authority may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognised in the surplus or deficit.

(e) Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities are derecognized when extinguished.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances.

(g) Account Receivables

Account receivables are recognized initially at original invoice amount. Account receivables are measured at cost less the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, or where more appropriate, at the interest rate that the Authority would have to pay to finance such receivables.

(h) Property and Equipment

As per **IPSAS 17** Property and equipment are initially recorded at historical cost which includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation of property and equipment is calculated using the straight line method to reduce the cost of each asset to its residual value over its expected useful economic life. The useful lives, which are consistent with those applied in the previous years, are as under:-

Property and equipment classes	Useful life
Office equipment	5 years
Furniture and fittings	4 years
Motor vehicles	4 years
Computer equipment	3 years

Depreciation is charged on assets from the date when they are ready for use and ceases on the date when the asset is derecognized by the Authority.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property and Equipment(Continued)

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are charged to statement of comprehensive income.

(i) Leasehold Land

As per **IPSAS 13**, leases under which subtotal risks and benefits of ownership of the assets are effectively retained by lessor are classified under operating leases. Obligation incurred under operating leases are charged to the surplus or deficit in equal installments over the period of lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

Land is initially recognized at historical cost which includes expenditure that are directly attributable to the acquisition of that land, subsequently land is amortized over its lease period, and amortization charges are charged to surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are charged to statement of comprehensive income.

(j) Intangible Assets

As per **IPSAS 31**, acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs of acquiring software that is regarded as an integral part of some identifiable hardware are recognized as part of the cost of the hardware. Costs of acquiring other software are recognized as intangible assets and are amortized over their estimated useful lives.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the costs of software development, employees and an appropriate portion of relevant overheads.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible Assets

Other costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

Computer software costs recognized as assets are amortized over their estimated useful.

The rate of amortization of intangible assets is set at 3 years.

(k) Employees Benefits

The objective of **IPSAS 25** is to prescribe the accounting and disclosure for Both short and long term employee's benefits.

Short Term Benefits

The cost of all short-term employee benefits such as salaries, employees entitlements to leave pay, medical aids, other contributions, etc. are recognized as expense during the period in which the employees render the related services.

Long Term Benefits

CMSA contributes to pension schemes in favour of all employees who fall under permanent and pensionable terms. Contributions to pension funds are recognized as an expense in the period the employees render the related services. The contributions are made to a defined contribution pension fund and are recognized as liability when employee has provided service in exchange for employees benefit to be paid in future.

(l) Special Funds

Investors Protection Fund

The fund is used subject to and in accordance with the Capital Markets and Securities Act, 1994 to redress an investor where the dealer is in defalcation. The fund grows by the amount dealers deposit for license annually.

Car Loan Revolving Fund

The fund is used to provide loans to eligible staff for purchasing vehicles. The fund grows by the amount allocated to the staff for the first time, in accordance with the CMSA Staff Regulations and interest earned from investment of the fund.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Special Funds(Continued)

Office Building Fund

The fund is set for the development of the Authority's own offices. It grows as and when the Authority makes a decision to that effect depending on availability of resources.

Staff Housing Loan Fund

The fund is used to provide staff loans for construction or purchase of houses. This fund grows depending on availability of resources and interest earned from investment of the fund.

Insurance Fund (staff housing)

The Insurance Fund is provided to cover the housing loans provided to employees in the event of death before completion of the loan repayments. It grows by withholding a percentage of the approved loan amount as stipulated in the Staff Regulations and interest earned from investment of the fund.

Administrative Cost Fund

The Administrative Cost Fund caters for the administration costs related to the management of housing loans. It grows by withholding a percentage of the approved loan amount as stipulated in the Staff Regulations and interest earned from investment of the fund.

(m) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

The annual budget figures included in the financial statements are not made publicly available. These budget figures are those approved by the board of directors.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Accounting for leases

As per IPSAS 13, leases under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

(o) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with **IPSAS 3** which requires the use of certain critical accounting estimates and judgments. Such estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are addressed below.

Property and equipment

Critical estimates are made by the directors in determining depreciation rates for property and equipment and their residual values. The rates used are set out in Note 2 (h) above.

(b) Critical judgements

In the process of applying the Authority's accounting policies, management has made judgments in determining whether assets are impaired. None of the assets was determined to be impaired.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

	2016 TShs '000	2015 TShs '000
4 REVENUE FROM NON - EXCHANGE TRANSACTIONS		
Government subvention		
Ministry of Finance	1,985,875	1,280,456
Bank of Tanzania	675,000	613,000
	2,660,875	1,893,456
Grant income		
Utilization of Capital grants	53,046	120,884
Other non-exchange transactions		
Market Development Levy	33,866	-
Fine, Penalty and Miscellaneous receipt	52,988	16,553
	86,854	16,553
	2,800,775	2,030,893
5 REVENUE FROM EXCHANGE TRANSACTIONS		
Fees		
Transaction fees	2,094,217	2,428,414
License Fees	267,360	77,452
Prospectus Evaluation Fees	810,331	645,540
Consultancy /Training Fees	87,875	96,705
	3,259,783	3,248,111
Other income		
Interest on Fixed Deposits	190,354	91,827
	3,450,137	3,339,938
6 STAFF COSTS		
Personnel Emoluments	1,782,404	1,499,669
Pension Contributions	204,561	166,307
Staff Medical Expenses	56,659	35,622
Auxiliary Staff Uniforms	2,439	1,550
Leave Passage	95,850	89,728
Recruitment Expenses	28,095	-
	2,170,008	1,792,876

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

7 ADMINISTRATIVE EXPENSES

	2016	2015
	TShs '000	TShs '000
Office Refreshment and Cleaning	20,755	11,654
Advertising Expenses	2,533	10,220
Office Rent	447,215	365,288
Printing and Stationery	37,748	24,168
Staff Furniture	72,328	24,300
Telephones, Telegrams and Postage	65,078	64,738
Electricity and Water	90,672	90,737
Business Promotion	25,739	10,302
Office Equip. Maintenance & Repair	37,066	48,261
Motor Vehicle Maintenance & Repair	41,916	54,450
Membership Subscriptions	8,609	32,974
Bank Charges	6,255	2,535
Security Expenses	7,200	7,800
Miscellaneous Expenses	23,753	40
Insurance	8,868	7,507
Fuel & Other Transport Expenses	129,808	159,555
Library Acquisitions	15,286	10,860
Tender Board Expenses	10,895	-
	1,051,724	925,389

8 MARKET DEVELOPMENT, COOPERATION AND TRAINING

IOSCO & Its Committees Expenses	59,706	101,052
Capacity Building & Training	185,228	188,482
Public Education Program	376,011	155,598
Regional cooperation Expenses	110,416	81,823
FSP Local contributions	21,204	88,160
Listing & Prospectus Evaluation Expenses	10,900	16,027
Regulatory Framework Review & Development	26,932	53,426
	790,397	684,568

9 OTHER EXPENSES

Audit Fees and Expenses	40,248	21,000
Directors Fees	8,889	8,888
Board Expenses	176,742	98,766
	225,879	128,654

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

10 SPECIAL FUND

	2016	2015
	TShs '000	TShs'000
Investors' protection fund	16,820	14,783
Car loan revolving fund	253,786	239,702
Office building fund	3,660,855	2,160,855
Housing loan fund	250,284	236,694
Administrative costs fund - Staff housing loan	8,382	6,323
Insurance fund (Staff housing loan)	27,069	19,180
	4,217,196	2,677,537

The increase in special funds arises from interest on investment of the funds and deposit license fee received during the year. Office building fund increased by Tshs 1.5 billion as a result of reallocation of funds from accumulated surplus to office building fund which was approved by the board of directors during the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

11 CAPITAL GRANT

FIDP II GRANT

	Computer equipment TShs' 000	Computer software TShs' 000	Motor vehicles TShs' 000	Sub total TShs' 000	Unutilised funds TShs' 000	Total TShs'000
Year ended 30 June 2016						
Cost						
At start of the year	465,772	345,405	-	811,177	170,855	982,032
Additions	-	-	309,827	309,827	-	309,827
At end of the year	465,772	345,405	309,827	1,121,004	170,855	1,291,859
Accumulated depreciation and amortization						
At start of the year	465,766	345,401	-	811,167	-	811,167
Charge for the year	-	-	53,046	53,046	-	53,046
At end of the year	465,766	345,401	53,046	864,213	-	864,213
Net book amount	6	4	256,781	256,791	170,855	427,646

11 CAPITAL GRANT (CONTINUED)

FIDP II GRANT

	Computer equipment TShs' 000	Computer software TShs' 000	Sub total TShs' 000	Unutilised funds TShs' 000	Total TShs'000
Year ended 30 June 2015					
Cost					
At start and end of the year	465,772	345,405	811,177	170,855	982,032
Accumulated depreciation and amortization					
At start of year	344,882	345,401	690,283	-	690,283
Charge for the year	120,884	-	120,884	-	120,884
At end of year	465,766	345,401	811,167	-	811,167
Net book amount	6	4	10	170,855	170,865

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

12 PROPERTY AND EQUIPMENT	Office equipment TShs' 000	Furniture & fittings TShs' 000	Motor vehicles TShs' 000	Computer equipment TShs' 000	Total TShs' 000
Year ended 30 June 2016					
Cost					
At start of the year	104,057	90,913	-	597,667	792,637
Additions	3,220	-	483,116	29,360	515,696
At end of the year	107,277	90,913	483,116	627,028	1,308,333
Accumulated depreciation					
At start of the year	101,073	90,823	-	596,066	787,962
Charge for the year	4,802	-	67,487	5,287	77,576
At end of the year	105,875	90,823	67,487	601,353	865,538
Net book value	1,402	90	415,629	25,674	442,795

Note

Additions arises from the fact that CMSA received three motor vehicles valued at TShs 309,826,604 with registration number STL 4606, STL 4211 and STL 4212 which were provided by the World Bank for exclusive use by the CMSA. These three motor vehicles are in the name of Capital Markets and Securities Authority and therefore have been accounted for in the books of CMSA. Tshs 173,289,500 from internal sources was used to procure CMSA motor vehicle number STL 4710.

12 PROPERTY AND EQUIPMENT	Office Equipment TShs' 000	Furniture & Fittings TShs' 000	Computer Equipment TShs' 000	Total TShs' 000
Year ended 30 June 2015				
Cost				
At start of the year	100,713	90,913	597,667	789,293
Additions	3,344	-	-	3,344
At end of the year	104,057	90,913	597,667	792,637
Accumulated depreciation				
At start of the year	96,271	90,823	471,446	658,540
Charge for the year	4,802	-	124,620	129,422
At end of the year	101,073	90,823	596,066	787,962
Net book value	2,984	90	1,601	4,675

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

13 INTANGIBLE ASSETS	Document Management System TShs' 000	Human Resource Management System TShs' 000	Website TShs' 000	Other Software TShs' 000	Total TShs' 000
Year ended 30 June 2016					
Cost					
At start of the year	201,312	50,466	52,030	62,267	366,075
Additions	-	-	-	-	-
End of year	201,312	50,466	52,030	62,267	366,075
Accumulated amortization					
At start of the year	201,311	50,465	52,029	48,479	352,284
Charge for the year	-	-	-	6,883	6,883
End of the year	201,311	50,465	52,029	55,362	359,167
Net book value	1	1	1	6,905	6,908
Year ended 30 June 2015					
Cost					
At start of the year	201,312	50,466	52,030	4,597	345,405
Additions	-	-	-	20,670	20,670
End of year	201,312	50,466	52,030	62,267	366,075
Accumulated amortization					
At start of the year	201,311	50,465	52,029	41,596	345,401
Charge for the year	-	-	-	6,883	6,883
End of the year	-	-	-	48,479	352,284
Net book value	1	1	1	13,788	13,791

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

14 LEASEHOLD LAND

	2016 TShs' 000	2015 TShs' 000
Cost	1,240,461	1,240,461
Accumulated amortization		
At start of the year	(24,322)	-
Charge for the year	(24,323)	(24,322)
End of the year	(48,644)	(24,322)
Net book value	1,191,816	1,216,139

The Authority owns a land property located at Plot no 14 Ursino Estate Kinondoni, Dar es Salaam for the purpose of constructing its own office. If this land was to be measured at fair value, its fair value as per valuation report issued by the Chief Government valuer as at 30 August 2014 would be Tshs 2.1 Billion.

15 ACCOUNT RECEIVABLES

	2016 TShs' 000	2015 TShs' 000
Non-current		
Staff loans	360,916	193,741
Office rent deposit	17,257	17,257
	378,173	210,998
Current		
Receivable from brokers	395,374	408,364
Sundry receivable	81,992	132,392
Staff loans	95,548	71,548
	572,914	612,304
Prepayments	415,768	33,666
Total receivables and prepayments	1,366,855	856,968
Classified as		
Non-current		
Receivables from non-exchange transactions	378,173	210,998
Current		
Receivables from exchange transactions	264,078	309,291
Receivables from non-exchange transactions	308,836	303,013
Prepayments	415,768	33,666
	1,366,855	856,968

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

16 CASH AND CASH EQUIVALENTS

	2016 TShs' 000	2015 TShs' 000
CRDB account	41,840	446,847
Housing loan account	30,355	73,369
NMB account	346,144	206,579
CRDB-EGM Revolving a/c	441,200	407,329
BoT Account TZS	500,600	-
BoT Account USD	53,939	-
NBC account and petty cash	158,853	67,899
	1,572,931	1,202,023

17 DEFERRED INCOME

At start of year	874,481	539,723
Subvention from Government	1,786,394	2,228,214
Transfer to income – Subvention (Note 4)	(2,660,875)	(1,893,456)
At end of year	-	874,481

18 PAYABLES AND ACCRUED CHARGES

Accrual charges	-	4,626
Provision for directors fees	9,837	8,889
Provision for audit fees	30,000	24,266
*FSDT payable	435,800	402,059
Other payables	317,494	154,783
	793,131	594,623

These are funds amounting to USD 200,000 received from Financial Sector Deepening Trust Tanzania (FSDT) to set up an Enterprise Growth Market (EGM) Revolving Fund. The aim of the fund is to provide capital to start up entities. Management has classified this amount as payable since the Authority has not started issuing start-up costs to the beneficiaries of this grant as stipulated in the agreement.

19 TAXATION

No provision for corporation tax has been made in the financial statements as CMSA depends on subventions from the Government of Tanzania and the Bank of Tanzania for its operations.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

20 FINANCIAL ASSETS AT AMORTISED COSTS

Financial assets comprise fixed deposits with original maturity over 91 days:

	<u>2016</u> TShs'000	<u>2015</u> TShs'000
At start of the year	3,183,075	1,850,336
Additions	4,340,403	3,067,118
Maturities	(4,237,671)	(1,850,336)
Accrued interest	153,496	115,957
At the end of the year	<u>3,439,303</u>	<u>3,183,075</u>

21 RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly, including directors of the Authority. The compensation paid or payable to key management for employee services is as follows;

	<u>2016</u> TShs'000	<u>2015</u> TSH'000
Salaries and other short term benefits	765,950	483,854
Defined contribution plan	73,170	63,256
	<u>839,120</u>	<u>547,110</u>

(b) Balances with key management

Outstanding balance of loans advanced to key management personnel was TShs 217 million (2015: TShs 138 million)

(c) Director's fees

Director's fees of TShs 8,889,000 (2015: TShs 8,889,000) were paid to non-executive directors of the Authority during the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

22 FINANCIAL RISK MANAGEMENT, IPSAS 30

The Authority manages the risks it is exposed to as follows:

Credit risk

The maximum exposure to credit risk is the carrying amount of receivables as disclosed in Note 15 (after adjusting for the office rent deposit and prepayments), cash and cash equivalents disclosed in Note 16 and financial assets disclosed in Note 20. There are no significant concentrations of credit risks within receivables. There are no amounts relating to credit risk that are overdue, overdue but not impaired or individually determined to be impaired.

Credit risk relating to cash and cash equivalents is managed through dealings with reputable banks. Credit risk relating to staff housing and loans is managed as follows:

- (a) CMSA withholds from the employee 4% of the housing loan advanced to cover a possible loss in the event of death.
- (b) CMSA has access to the terminal benefits of the employee in the event the employee services come to an end.

Liquidity Risk

This is the risk that funds will not be available to honor cash obligations as they arise. A significant portion of the Authority's activities is funded by through government grants based the capital and revenue budget of the Authority. The Authority will not undertake activities for which no funds are available. The liabilities of the Authority are payable within 12 months of the year end.

Foreign exchange risk

This is the risk that CMSA will suffer exchange rate loss as a result of services contracts being agreed in foreign currency. At 30 June 2016, if the functional currency had strengthened/weakened by 10% against the USD with all other variables held constant, Surplus for the year would have been TShs 131 million (2015: TShs 104 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated financial assets and liabilities. The exposure to foreign currencies is minimal.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

23 CASH GENERATED FROM OPERATIONS

	<u>2016</u>	<u>2015</u>
	TShs' 000	TShs' 000
RECEIPTS		
Government subvention (PE)	330,281	624,211
BOT subvention	675,000	613,000
Other income related receipts		
Transaction fees	1,830,139	2,165,371
License fees	240,110	77,452
Markets Development Levy	13,866	-
Fines, Penalty and Miscellaneous receipts	14,489	12,146
Prospectus Evaluation fee	810,331	544,245
Consultancy/Training fees	87,875	96,705
Receipts from receivables and other receipts	224,066	1,660,398
Total cash Receipts	4,226,158	5,793,528
PAYMENTS		
Staff cost	(1,505,528)	(1,792,876)
Administrative Expenses	(1,036,624)	(908,387)
Market Development, Cooperation and Training	(788,410)	(576,116)
Other operating expenses	(176,742)	(122,654)
Settlement of payables and other payments	(115,863)	(77,063)
Total cash Payments	(3,623,167)	(3,477,096)
Cash generated from Operations	602,991	2,316,432

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

23 CASH GENERATED FROM OPERATIONS (CONTINUED)

Reconciliation of Net Cash Flows from Operating activities to surplus/deficit:	2016 Tshs'000	2016 Tshs'000
Surplus for the year	1,923,470	1,865,360
Adjustments for:		
Amortization of capital grant (Note 5)	(53,047)	(120,884)
Interest income	(190,355)	(91,827)
Depreciation and amortization	108,783	160,628
Changes in working capital:		
- Account receivables	(509,887)	(344,831)
- Deferred income	(874,481)	334,759
- Payables and accruals	198,508	513,227
Cash generated from operations	602,991	2,316,432

24 FINANCIAL INSTRUMENTS BY CATEGORY

Assets

Loans and receivables

Cash and cash equivalents	1,572,930	1,202,023
Accounts receivables (excluding prepayments)	951,087	823,302
Financial assets at amortized costs	3,439,302	3,183,075
	5,963,319	5,208,400

Liabilities

Liabilities at amortized costs

Payables and accrued charges	793,131	594,623
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25 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2016 (2015: Nil).

26 COMMITMENTS

	2016 TShs' 000	2015 TShs' 000
Capital commitments	-	-

There were no Capital commitment as at 30 June 2016 (2015: Nil). There are no non-cancellable leases.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016 (CONTINUED)

NOTES (CONTINUED)

27 EVENTS AFTER THE REPORTING DATE

There is no known event that has impacted on the results for the year and the statement of financial position of the authority after the reporting date.

8.0. APPENDICES

1.1. Regulatory Functions of CMSA

Generally, the CMSA is charged with the functions or duties to promote and maintain efficient, fair, transparent, safe and stable capital markets for the benefit and protection of investors. The CMSA therefore regulates the capital market, establishes standards for investor protection, enforcement mechanisms, transparency and disclosures, resolution regimes and business conduct to enable mitigation and management risks against erosion of market trust.

In discharging its duties, the CMSA regularly –

- (a) review whether its current regulatory requirements and framework adequately addresses risks posed to investor protection and to fair efficient and transparent markets as well as to the reduction of systemic risks;
- (b) monitors, regulates and maintains surveillance over the operations of the regulated persons and regulated activities;
- (c) conducts public education programmes, to ensure the understanding by the public of capital markets of the benefits, risks and liabilities associated with investing in the capital markets and trading in securities;
- (d) inquires into the affairs of, conduct routine or ad hoc inspections of the documents, reports and records of any licensed, regulated person or any public company, securities exchange or issuer of securities;
- (e) advises the Minister on all matters relating to the capital market industry; licence or approve, as the case may be, the regulated persons and regulated activities with a view to maintaining proper standards of conduct and professionalism in the capital markets;
- (f) formulates principles for the guidance of the capital market industry;
- (g) regulate and approve offers of securities;
- (h) monitors and supervises unlisted public companies;
- (i) liaise effectively with regulators and supervisors of other financial institutions locally or overseas including entering into Memoranda of understanding or agreements on matters of common interest.

In the execution of its functions, the CMSA has powers to –

- (a) call for information, documents or reports from licensed or regulated persons;
- (b) inspect, conduct inquiries and audit of exchanges, and licenced or regulated persons;
- (c) call for, or furnish to any person or agency , such information as may be considered necessary by it for the efficient discharge of its functions;

8.0. APPENDICES (CONTINUED)

8.1. Regulatory Functions of CMSA (Continued)

- (d) conduct investigations where it believes there is a violation of the law or where a transaction in securities is dealt with in a manner that is detrimental to the investors or the capital market;
- (e) intervene in the management and control of a regulated person or capital market intermediaries which it considers has failed, is failing or in crisis including entering into the premises and doing such act and things as the board deems necessary for the protection of investors;
- (f) Undertake such other powers including powers of supervision and enforcement conferred upon it under the Act including supervision and enforcement.

8.2. Committees of the Authority

The following is the composition of the Committees which served the Authority during the period under review:

THE CORPORATE APPROVALS AND LICENSING COMMITTEE

1.	Ms. Susana B. Mkapa	-	Chairman
2.	Dr. Severine Kessy	-	Member
3.	Frank Kanyus	-	Member
4.	Chief Executive Officer CMSA	-	Member

RULES AND REGULATIONS COMMITTEE

1.	Hon. George Masaju	-	Chairman
2.	Ms. Suzana B. Mkapa	-	Member
3.	Geofrey Msella	-	Member
4.	Chief Executive Officer CMSA	-	Member

HUMAN RESOURCE COMMITTEE

1.	Prof. Benno Ndulu	-	Chairman
2.	Geofrey M. Msella	-	Member
3.	Juma A. Hafidh	-	Member
4.	Chief Executive Officer CMSA	-	Member

8.0. APPENDICES (CONTINUED)

8.2. Committees of the Authority (Continued)

AUDIT AND RISK COMMITTEE

1.	Mr. Gabriel Mwero	-	Chairman
2.	Geofrey M. Msella	-	Member
3.	Juma A. Hafidh	-	Member
4.	Chief Executive Officer CMSA	-	Member

8.3. Principle Legislation

a) The Capital Markets and Securities Act [PRINCIPAL LEGISLATION] Acts Nos.5 of 1994;

An Act to establish a Capital Markets and Securities Authority for the purposes of promoting and facilitating the development of an orderly, fair and efficient capital market and securities industry in Tanzania, to make provisions with respect to licensing of stock exchanges, stockbrokers and other persons dealing in securities, and for connected purposes.

Capital Markets and Securities Amendment Act, 2010.

An Amendment to the Act establishing the Capital Markets and Securities Authority

b) The Commodity Exchanges Act, 2015

The Act provides a legal framework for sound management of commodity exchanges, ensuring the proper management of the business persons by empowering the CMSA to supervise and regulate commodity exchanges in Tanzania.

8.4. Capital Markets and Securities Regulations and Guidelines

a) The Capital Markets and Securities (Licencing) Regulations 1996

These regulations set out the procedures to be complied with by the applicants for licensing e.g. dealers, investment advisers or their representatives. The requisite application forms are prescribed in the Regulations. General conditions relating to licenses once obtained are also provided for, including the provision that the license shall be personal to the applicant and the requirement for a license to inform the Authority (by written notice) of any relevant alterations or occurrence.

8.0. APPENDICES (CONTINUED)

8.4. Capital Markets and Securities Regulations and Guidelines

b) The Capital Markets and Securities (Registers of Interests in Securities) Regulations 1996

Certain market players are required by the Act to maintain a register in the prescribed form of the securities in which he has an interest. These regulations therefore include the prescribed form as well as a provision for varying of the form of register by the Authority where necessary. The registers of interests in securities will enable transactions to be easily traceable by the Authority and other interested parties thus providing the requisite transparency in securities transactions.

c) Capital Markets and Securities (Establishment of Stock Exchange) Regulations 1996

These regulations make provision for procedures for the establishment of the stock exchange as well as an interim stock trading facility. In the case of a Stock Exchange, the application has to be made by a body corporate while interim stock trading facility is not a body corporate (it only provides an interim mechanism for trading).

Applications are to be made to the Authority which grants approval subject to certain conditions, and will continue to regulate the stock exchange once it is approved.

d) The Capital Markets and Securities (Financial and Accounting Requirements) Regulations 1997

These regulations provide for the maintenance of accounting records (including audit trail) preparation of the annual financial statements as well as treatment of customer money in accordance with the law (i.e. in trust for the client).

These Regulations supplement the provisions on accounts and audit which are contained in the Capital Markets and Securities Act.

e) The Capital Markets and Securities (Advertisements) Regulations 1997

These Regulations relate to the vetting of securities advertisements by the Authority and it provides for a number of conditions that have to be met by advertisers in the securities business. Conditions include the requirement for the content and presentation of the advertisement that the advertisements have to be factual, that comparison or contrasting of investment should not be done unless it is fair, as well as restrictions on forecasts and references to taxation.

8.0. APPENDICES (CONTINUED)

8.4. Capital Markets and Securities Regulations and Guidelines (Continued)

f) **The Capital Markets and Securities (Collective Investment Schemes) Regulations 1997**

To supplement the Capital Markets and Securities Act, these regulations make detailed provisions relating to the roles of managers, trustees, schemes, trust deeds, pricing, issue and redemption of units/shares and other relevant matters.

g) **Capital Markets and Securities (Prospectus Requirements) Regulations 1997**

These regulations supplement the general provisions on public issues of securities which are contained in the Capital Markets and Securities Act. The prospectus is an important document since the issuance of a prospectus is a prerequisite where a public offer is being made. The items required to be included in the prospectus are listed in the Regulations. These include matters to be stated in the first page of the prospectus. Others include information on the rights of holders, information on bankers, capital from issuer, debt of issuing any material contracts, the use of the proceeds from the issue etc.

h) **The Capital Market and Securities (Conduct of Business) Regulations 1997**

The Conduct of Business Regulations list rules on conduct including inducements, churning, customer rights, confidentiality, changes, execution in addition to the conduct of business regulations covered in the Capital Markets and Securities Act.

i) **The Capital Markets and Securities (Capitalization and Rights Issue) Regulations 2000**

The Capitalization and Rights Issue regulations set out the disclosure requirements that an issuer is obliged to comply with during Capitalization of when making Rights Issue. This has to be done after obtaining the approval of the Authority.

j) **The Capital Markets and Securities (Foreign Investors) Regulations 2003**

These Regulations set out the limit of aggregate securities to be held by foreign investors whereby 40percent is reserved for Tanzanians and 60percent for foreigners. However Tanzanians are not precluded from participating in the 60percent in which foreigners are allowed to participate. This means that the 60percent is a free float. The Regulations provide for the conditions and manner in which foreign investors will participate in the capital markets and more specifically at the DSE. It also focuses on the mechanism by which the Authority can monitor observance of the conditions set for foreign participation by the DSE and the Central Depository System.

8.0. APPENDICES (CONTINUED)

8.4. Capital Markets and Securities Regulations and Guidelines (Continued)

k) Capital Markets and Securities (Foreign Companies Public Offers Eligibility and Cross Listing Requirements) Regulations 2003

These Regulations focus on participation in the capital markets by foreign issues of securities. The regulations set out the eligibility criteria and disclosure requirements for such companies to make public offers or cross list at the DSE. For the time being the foreign investors envisaged in the Regulations are those from Kenya and Uganda.

l) Guidelines for the Issuance of Corporate Bonds and Commercial Paper, 1999

These Guidelines set out the disclosure requirements that an issuer is obliged to comply with when applying for issuance of a Corporate Bond or a Commercial Paper.

m) Capital Markets and Securities (Corporate Governance) Guidance, 2002

These Guidelines aim at improving and strengthening corporate governance practices by issuers of securities through the capital markets and promote the standards of self-regulation so as to raise the level of governance in line with international trends.

The Guidelines have been issued in view of the role that good governance has in corporate performance, capital formation and maximization of shareholders value in addition to protection of investors' rights.

The Guidelines apply to public listed companies and any other issuers of securities through the capital markets including issuers of debt instruments.

n) Capital Markets and Securities (Conflict of Interest) Guidelines, 2002

The Guidelines aim at giving members of the Authority and employees of the CMSA a framework within which to deal with conflicts of interest and other related matters. They are also intended to protect members of the authority and employees of the CMSA against any suggestions that regulatory decisions have been influenced by personal interests or that their investment decisions are made by using insider information.

o) Capital Markets and Securities Authority Enforcement Guidelines, 2004

These Guidelines set out the practices and procedures to be followed by the CMSA when conducting investigations or inquiries where there is breach of the law by market participants or otherwise.

8.0. APPENDICES (CONTINUED)

8.4. Capital Markets and Securities Regulations and Guidelines (Continued)

p) Capital Markets and Securities (Custodian of Securities) Regulations

These Regulations provide for the legal framework under which custodians can operate and be supervised within the capital markets. This has become more important particularly with the opening up of the capital market to foreign investors/participants.

q) Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations 2006

These Regulations regulate and govern mergers and acquisitions. The objective of these Regulations is to ensure that in the Tanzanian capital markets, the critical processes of mergers, acquisitions and takeovers, which significantly influence growth of enterprises, take place within an orderly legal framework and that such framework, conforms with the principles of fairness, transparency, equity and the need to protect the rights of shareholders affected by such transactions.

r) Capital Markets and Securities Authority (Nominated Advisors) Regulations, 2010

These Regulations are designed to regulate and govern nominated advisory companies and individuals licensed by the Authority to undertake the responsibility of preparing SME companies to list on the stock market segment which facilitates trading of securities of start-up, small and medium size companies (SMEs) by assessing the appropriateness of an applicant to be listed and advising and guiding the company on its responsibilities.

s) Capital Markets and Securities Authority (Collective Investment Schemes) (Real Estate Investment Trusts) Rules, 2011

These rules set out the role, responsibilities and eligibility criteria for companies seeking to operate as a Real Estate Investment Trusts. The rules are designed to protect investors when investing in income generating real estate alongside other investors in order to benefit from the inherent advantages of working as part of a group.

t) The Capital Markets and Securities (Regional Issuance of fixed Income Securities) Regulations

These regulations set the conditions to tap a wide pool of investors in order to raise funds for priority sectors such as infrastructure to support economic growth in East Africa. The regulations sets out the approval process, makes mandatory requirements for credit rating of the intended issuance, provide guidance to the listing process, applicable fees, share capital, applicable currency, financial statement disclosures, cash flow projections, guarantees and credit enhancement etc.

8.0. APPENDICES (CONTINUED)

8.4. Capital Markets and Securities Regulations and Guidelines (Continued)

u) The Capital Markets and Securities (Corporate Governance for Market Intermediaries) Regulations

These guidelines are intended to strengthen corporate governance practices by market intermediaries in Tanzania and to promote the standards of self-regulation so as to bring the level of governance in line with international trends and standards.

v) Capital Markets and Securities (Book building) Regulations

These regulations provide guidance on the process by which an issuer's underwriter attempts to determine at what price to offer an IPO based on demand from institutional investors. An underwriter "builds a book" by accepting orders from fund managers indicating the number of shares they desire and the price they are willing to pay.

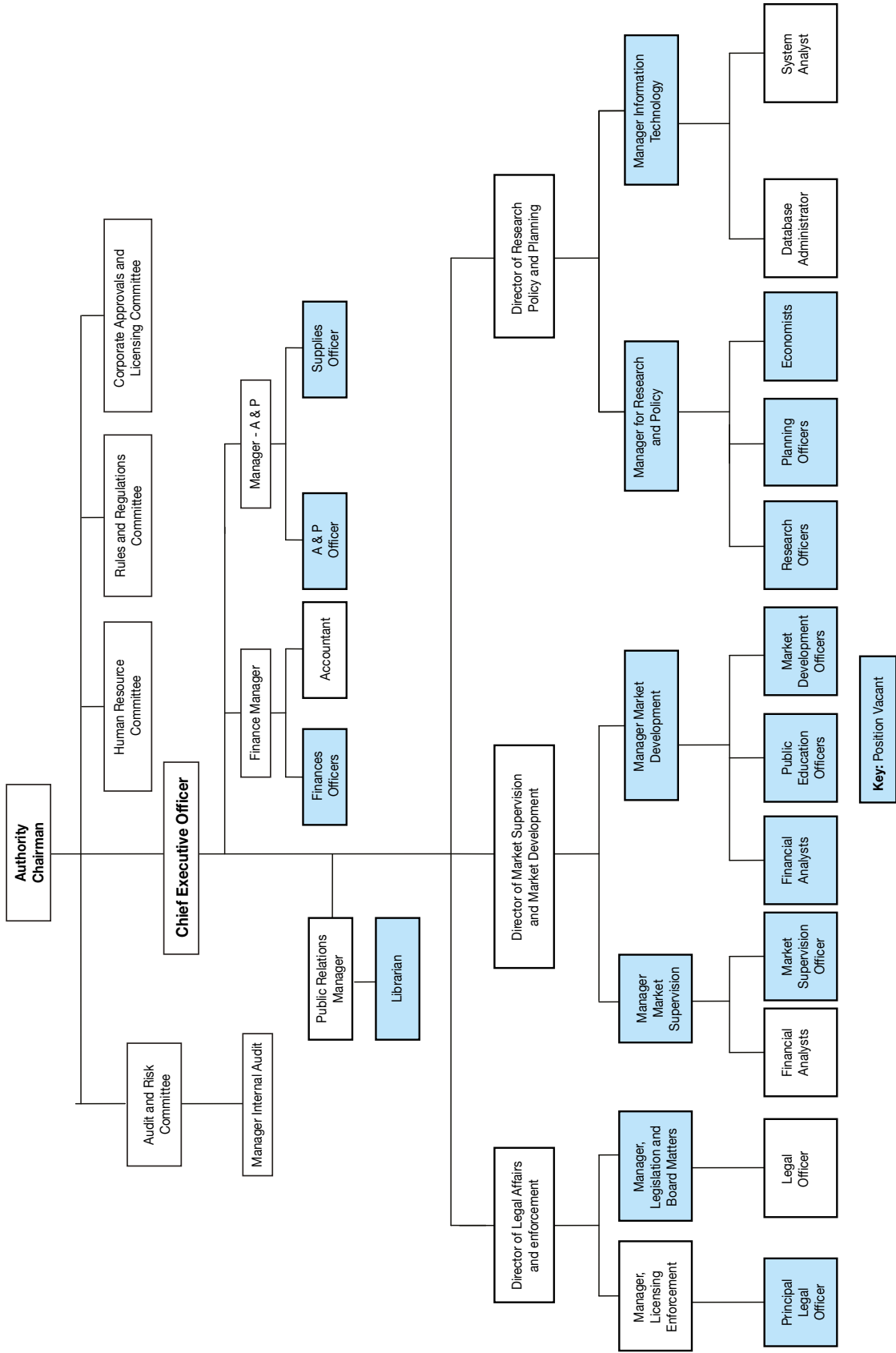
8.5. Legislations in Pipeline

Until the end of the period under review, the new Capital Markets Act was being processed intending to repeal and replace the Capital markets and Securities Act with a view to addressing the weaknesses taking into consideration international best practices and compliance with IOSCO the objectives and principles of securities regulations including widening the scope of market intermediaries to include, securities depositories, clearing houses and credit rating agencies; opening up the capital markets intermediation to foreign investors; introducing investors compensation fund and providing for direct application of the EAC directives to Tanzania without further localization or domestication procedures.

Various regulations to complement the new capital markets will also be considered to repeal and replace the existing ones for efficient implementation of the new Act.

8.0. APPENDICES (CONTINUED)

1.6. CMSA Organisation Structure



8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE

1.1 Exchanges

	New fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees in TZS	5,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	1percent

1.2 Central Securities Depository

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	3,000,000
Annual fees in TZS	3,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	1percent

1.4 Market Development Levy

	MARKET TYPE	New Fee
Market Development Levy ¹	Main Investment Market And EGM	0.01percent Market Capitalization (listed companies) capped at a min of TZS 1,000,000 and max of 5,000,000
	Fixed Income Securities	0.005percent Value of Fixed Income Securities capped at a min of TZS 2,000,000 and max of TZS 50,000,000 Million

1.6 Open ended Collective Investment Schemes

	New Fee
Application fees not refundable in TZS	1,000,000
Scheme Admission fee in TZS	1,000,000
Scheme Annual fees	1,000,000
Offer Memorandum Approval fee	5 Million Plus 0.3percent of the amount to be raised capped at TZS 100,000,000.

¹Annual Development Levy for companies whose shares are listed shall be based on daily average market capitalization from January 1 to November 30 annually excluding the value of new or additional listing during the year. The Development Levy for Fixed Income Securities shall be based on the total value outstanding as on November 30.

8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE (CONTINUED)

1.6 Closed ended Collective Investment Schemes (Investment Management companies)

	New Fee
Application fees not refundable in TZS	1,000,000
Scheme Admission fee in TZS	5,000,000
Scheme Annual fees	5,000,000
Offer Memorandum Approval fee	5 Million Plus 0.05percent of the amount to be raised capped at TZS 100,000,000.

2.0 Market Intermediaries

2.1 Broker/ Dealer – Securities Market

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees to be reviewed as market grows - in TZS	2,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	0.5percent

2.2 Broker/ Dealer – Bond Traders

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees	2,000,000
Replacement of license - in TZS	250,000

2.3 Commodity Exchange Trading and Intermediary Members

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees	2,000,000
Replacement of license - in TZS	250,000
Annual levy (By value)	0.5percent

2.4 Commodity Exchange Clearing Members

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000

8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE (CONTINUED)

2.5 Dealer Representatives

	New Fee
Application fees not refundable in TZS	500,000
Admission fee in TZS	1,000,000
Annual fees	1,000,000

2.6 Investment Advisors

	New Fee
Application fees non-refundable in TZS	500,000
Admission fee in TZS	3,000,000
Annual fees	3,000,000
Replacement of license - in TZS	250,000

2.7 Investment Advisors – Fund Managers

	New Fee
Application fees non-refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000
Levy based on Gross earnings derived from managing High net worth individuals investment fund	0.5percent

2.8 EGM NOMAD

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	3,000,000
Annual fees	3,000,000
Replacement of license - in TZS	250,000

2.9 EGM NOMAD AUTHORIZED REPRESENTATIVES

	New Fee
Application fees not refundable in TZS	250,000
Admission fee in TZS	
Annual fees	1,000,000

2.10 CSD MEMBER- CUSTODIAN

	New Fee
Application fees not refundable in TZS	2,500,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000

8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE (CONTINUED)

2.11 CSD MEMBER- REGISTRAR

	New Fee
Application fees not refundable in TZS	2,500,000
Admission fee in TZS	
Annual fees	2,500,000

3.0 TRANSACTION FEES

3.1 Transaction fee - Equity

	New Fee
Transaction fees	
- Seller	0.14percent
- Buyer	0.14percent

3.2 Transaction fee - bond

	New Fee
Transaction fees	
- Seller	0.005percent
- Buyer	0.005percent

3.3 Transaction fee - Commodity

	New Fee
Transaction fees	
- Seller	0.07percent
- Buyer	0.07percent

3.4 Mergers and acquisition (re-admission)

	New Fee
Application fees non-refundable in TZS	2,500,000
Approval fee equity less than 10 billion	10,000,000
Approval fee equity 10 billion and above	20,000,000

3.5 Listed REIT

	New Fee
Application fee	1,000,000
Annual fee	0.15percent of value of offer of REIT Securities subject to a maximum of 20,000,000
Approval fee of Offering Memorandum	0.1125percent of value of offer of securities and a maximum of TZS 150,000,000

8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE (CONTINUED)

3.6 Unlisted REIT

	New Fee
Application fee	1,000,000
Annual fee	2,000,000
Approval fee of Offering Memorandum	0.1125percent of value of offer of securities and a maximum of TZS 150,000,000maximum of TZS 150,000,000

4.0 PROSPECTUS EVALUATION FEES

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

4.1 Main Market

4.2 Enterprise Growth Market

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	15 Million plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	25 Million plus 0.05percent of the amount exceeding TZS 10 billion

4.3 EAC CROSS LISTED – MAIN MARKET

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million Plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

8.0. APPENDICES (CONTINUED)

8.7. CAPITAL MARKETS AND SECURITIES AUTHORITY NEW FEE TABLE (CONTINUED)

4.5 Right / Bonus Issue

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million Plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million Plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

4.6 Commodity Contract Approval

	New Fee
Application fees not refundable in TZS	2,000,000
Admission fee in TZS	5,000,000

4.7 Data Vendors – such as Bloomberg, Reuters

	New Fee
Application fees non-refundable in TZS	2,500,000
Admission fee in TZS	7,500,000

4.8 Telco – Makiba Fund Trustee License

	New Fee
Application fees non-refundable in TZS	7,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000

4.9 Credit Rating Agencies

	New Fee
Application fees non-refundable in TZS	5,000,000
Admission fee in TZS	2,500,000
Annual fees	2,500,000

8.0. APPENDICES (CONTINUED)

8.9. Dar es Salaam Stock Exchange's and Central Securities Depository's Fee Structure

i) DSE Revised Fees

S/N	Category	Specific Fee	Current Fee	Revised Fee
1.	Annual Membership Fee		TZS 400,000	TZS 1,000,000
2.	Application for Admission to DSE Membership Fee		TZS 1,000,000	TZS 2,000,000
3.	Listing Fee Equities -MIMS		Rate	Rate
		Annual Listing Fee	Min 2mn	Min 2mn
		Initial Listing Fee	2mn	2mn
		Additional Listing Fee	2mn	2mn
			Max 10mn	Max 20mn
			2mn	30mn
			2mn	30mn
			Rate	Rate
			Min	Min
4.	Transaction Fees Bonds	Up to TZS 40 mn	5,000	25,000
		On any additional amount exceeding TZS 40 mn	312.5 bps or 1/32percent	No Limit
		On any amount	Fees are not currently charged by DSE	500 bps or 1/20percent
			Rate	Rate
			Min	Min
			Max	Max
5.	Transaction Fees-Equities			
			Up to TZS 10 mn	1.7percent
			On the next TZS 40 mn	1.5percent
			On any sum above TZS 50 mn	0.8percent
			On any amount	0.28percent
			On any amount	0.02percent
			Rate	Rate
			Min	Min
			Max	Max
			1.7percent	No Change
			1.5percent	No Change
			0.8percent	No Change
			0.28percent	No Change
			0.02percent	No Change

8.0. APPENDICES (CONTINUED)

8.9. Dar es Salaam Stock Exchange's and Central Securities Depository's Fee Structure

ii) DSE Newly Introduced Fees

S/N	Category	Specific Fee	Rate
1.	Infrastructure Fee	DSE Members and other parties accessing the ATS (i.e., Institutions taking market data screen)	TZS 19,408,086 per member, per annum. LDMs will not be charged for the first 3 years of the DSE Strategic Plan (i.e., the fee will be charged beginning year 2016).
2.	ISIN Fees	Publicly issued securities (one-time fee)	TZS 300,000
		Additional/subsequent securities for companies that already have ISINs.	TZS 150,000
		Unlisted securities (one-time fee)	TZS 600,000

8.0. APPENDICES (CONTINUED)

8.9. Dar es Salaam Stock Exchange's and Central Securities Depository's Fee Structure

ii) CSD Revised Fees

S/N	Category	Specific Fee	Current Fee	New Fee
1.	CSD Annual Membership Fee	Custodians	TZS 500,000	TZS 2,000,000
2.	Application for Admission to CSD Membership Fee	Custodians	TZS 1,000,000	No Change
3.	CDS Fee	Custody Fee	MIMS TZS 1,000	MIMS Replaced with a single standard transaction fee of TZS 1,000
4.	CDS Fee	Consolidation Fee	TZS 1,000	
5.	CDS Fee	Reissue Fee	TZS 2,000	
6.	CSD Fee	Private Transfer Fee	TZS 1,000	
7.	CSD Fee	Mortgage and Release of Mortgage	TZS 10,000	
8.	CSD Fee	Change of LDM by CDS Account holder	TZS 2,000	
9.	CSD Fee	Processing of IPO	0.5 percent of market capitalization subject to a minimum of TZS 2 million and a maximum of TZS 10 million.	0.25 percent of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 5 million.
10.	Statements Fee	Statements in paper form	TZS 5,000 per account plus postage and any certification fees.	No Change

8.0. APPENDICES (CONTINUED)

8.9. Dar es Salaam Stock Exchange's and Central Securities Depository's Fee Structure

iv) CSD Newly Introduced Fees

S/N	Category	Specific Fee	New Fee
1.	CSD Annual Membership Fee	Licensed Dealing Members Associate NOMAD Other Operators Clearing Banks Issuer-First Security Issuer – subsequent Securities	TZS 1,000,000 TZS 1,000,000 TZS 500,000 TZS 1,000,000 TZS 1,000,000 TZS 1,000,000 TZS 100,000
2.	Application for Admission to CSD Membership Fee	All applicants	TZS 1,000,000
3.	Transaction Fee	Standard Transaction	TZS 1,000
4.	Statements Fee	Statements by SMS	TZS 200 per SMS split 50percent between DSE and Telco.
5.	Infrastructure Fee	DSE Members and other parties accessing the CDS	TZS 2,835,597 per member per annum after the moratorium period of 3 years (i.e., the fee will be charged beginning year 2016).
6.	Custody Fees	Institutional	0.005percent of the value of assets under custody charged on a quarterly basis.

8.0. APPENDICES (CONTINUED)

8.9. Listed Companies:

The following were companies listed at the Dar es Salaam Stock Exchange as of 30th June 2016.

Domestic Listed Companies

Company	Date Listed	Number of issued Shares	Nature of Business
TOL Gases Ltd. (TOL)	15th April, 1998	37,223,686	Production and distribution of industrial gases, welding equipment's, medical gases, etc.
Tanzania Breweries Ltd. (TBL)	9th September, 1998	294,928,463	Tanzania Breweries Limited (TBL) manufactures sells and distributes clear beer, alcoholic fruit beverages (AFB's) and non-alcoholic beverages within Tanzania. TBL has controlling interests in Tanzania Distilleries Limited (TDL) and Darbrew Limited.
Tatepa Company Ltd. (TTP)	17th December, 1999	17,857,165	Growing, processing, blending, marketing and distribution of tea and instant.
Tanzania Cigarette Company Ltd. (TCC)	16th November, 2000	100,000,000	Manufacturing, marketing, distribution and sale of cigarettes.
Tanga Cement Public Ltd Co (SIMBA)	26th September, 2002	63,671,045	Production, sale and marketing of cement.
Swissport Tanzania Ltd. (SWISSPORT)	26th September, 2006	36,000,000	Airports handling of passengers and cargo.
Tanzania Portland Cement Co. Ltd. (TWIGA)	29th September, 2006	179,923,100	Production, sale and marketing of cement.
National Investment Co. Ltd (NICOL)	15th July, 2008	69,178,134	Investment Company
DCB Commercial Bank (DCB)	16th September, 2008	67,827,897	Commercial bank
National Microfinance Bank (NMB)	6th November 2008	500,000,000	Commercial bank
CRDB Bank Plc (CRDB)	17th June 2009	2,176,532,160	Commercial bank
Precision Air Services Plc (PAL)	21st December 2011	193,856,750	Air transport services
Maendeleo Bank Plc (MBP)	4th November 2013	9,066,701	Commercial bank

8.0. APPENDICES (CONTINUED)

8.9. Listed Companies:

Company	Date Listed	Number of issued Shares	Nature of Business
Swala Gas and Oil (SWALA)	11th August 2014	99,954,467	Mineral Exploration
Mkombozi Commercial Bank (MKCB)	29th December 2014	20,615,272	Commercial bank
Mwalimu Commercial Bank	27 th November 2015	61,824,920	Commercial bank
Yetu Micro Finance Plc (YETU)	10 th March 2016	12,112,894	Microfinance
MUCOBA Bank Plc	8 th June 2016	8,156,423	Community bank
Dar es Salaam Stock Exchange	12 th July 2016	20,250,000	Stock exchange

Cross-Listed Companies

Company	Date Listed	Number of issued Shares	Nature of Business
Acacia Mining PLC (ACA)	7th December 2011	410,085,499	Mining and production of gold
East African Breweries Ltd (EABL)	29th June 2005	658,978,630	Holding company of various companies involved in production, marketing and distribution of malt beer in Kenya, Uganda, Tanzania and Mauritius
Jubilee Holdings Ltd (JHL)	20th December 2006	36,000,000	Holding company of many companies involved in insurance business in Kenya, Uganda and Tanzania
Kenya Airways Ltd (KA)	1st October 2004	461,615,484	Passengers and cargo transportation to different destinations in the world
Kenya Commercial Bank (KCB)	17th December 2008	2,217,777,777	Commercial Bank
National Media Group (NMG)	21st February 2011	157,118,572	News media group
Uchumi Supermarket Ltd (USL)	15th August 2014	265,426,614	Supermarket

8.0. APPENDICES (CONTINUED)

8.10. Historical Subscription levels

S/N	Company	Listing date	Offer Price per Share	Shares on Offer	Offer Value (TZS)	Amount Raised (TZS)	Level of Subscription (percent)	Subscribers
1	TOL	15/04/1998	500	7,500,000	3,750,000,000	3,598,086,000	80	10,500
2	TBL	19/09/1998	550	25,594,277	12,976,852,350	9,630,874,000	74	23,000
3	TATEPA	07/12/1999	330	1,584,912	523,020,960	571,461,000	109	2,000
4	TCC	16/11/2000	410	19,500,000	7,995,000,000	9,394,125,000	118	7,508
5	SIMBA	29/09/2002	300	20,693,090	6,207,927,000	24,210,915,300	390	14,228
6	SWISSPORT	03/06/2003	225	17,640,000	3,969,000,000	31,196,340,000	786	41,025
7	TWIGA	29/09/2006	435	53,975,900	23,479,516,500	86,419,680,855	368	18,300
8	NICOL	15/07/2008	300	50,000,000	15,000,000,000	5,601,735,000	37	2,987
9	DCB	16/09/2008	275	5,454,546	1,500,000,150	3,704,094,900	347	5,446
10	NMB	06/11/2008	600	105,000,000	63,000,000,000	224,999,340,000	357	27,303
11	CRDB	17/06/2009	150	125,429,692	32,647,982,400	82,624,366,200	439	21,282
12	PRECISION	21/12/2011	475	58,800,000	28,000,000,000	11,840,000,000	43	7,057
13	TBL (EABL Exit)	16/01/2012	2,060	58,985,693	121,510,527,580	297,593,326,800	245	2,081
13	MAENDELEO	04/11/2013	500	8,000,000	4,000,000,000	4,600,000,000	115	2,523
14	SWALA OIL	11/08/2014	500	9,600,000	4,800,000,000	6,643,900,000	138	1,867
15	MKOMBOZI	29/12/2014	1,000	5,000,000	5,000,000,000	3,776,820,000	76	2,629
16	MWALIMU	27/11/2015	500	50,000,000	25,000,000,000	30,912,460,000	124	235,494
17	YETU MICRO FINANCE PLC	10/03/2016	500	25,180,000	12,590,606,500	3,111,690,100	25	14,273
18	MUCOBA BANK PLC	08/06/2016	250	20,000,000	5,000,000,000	2,039,105,750	41	1,691
19	DSE PLC	12/07/2016	500	15,000,000	7,500,000,000	35,768,796,000	477	3,149

8.0. APPENDICES (CONTINUED)

8.11 Outstanding Government Bonds as at 30th June 2016

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount(Face Value)
169-11.44-T10-A1	TZ1996100784	11.44	10 Year Bond	Government Bonds	12-Jul-06	13-Jul-16	4,034,000,000
169-11.44-T10-A2	TZGGOV002266	11.44	10 Year Bond	Government Bonds	9-Aug-06	13-Jul-16	1,200,000,000
169-11.44-T10-A3	TZGGOV002274	11.44	10 Year Bond	Government Bonds	6-Sep-06	13-Jul-16	4,000,000,000
172-11.44-T11-A1	TZ1996100982	11.44	10 Year Bond	Government Bonds	4-Oct-06	5-Oct-16	4,000,000,000
172-11.44-T11-A2	TZGGOV002290	11.44	10 Year Bond	Government Bonds	1-Nov-06	5-Oct-16	4,000,000,000
172-11.44-T11-A3	TZGGOV002308	11.44	10 Year Bond	Government Bonds	29-Nov-06	5-Oct-16	4,000,000,000
179-11.44-T12-A1	TZGGOV002316	11.44	10 Year Bond	Government Bonds	31-Jan-07	1-Feb-17	4,000,000,000
179-11.44-T12-A2	TZ1996100800	11.44	10 Year Bond	Government Bonds	28-Feb-07	1-Mar-17	180,000,000
183-11.44-T13-A1	TZ1996100826	11.44	10 Year Bond	Government Bonds	25-Apr-07	27-Apr-17	4,000,000,000
183-11.44-T13-A2	TZGGOV002407	11.44	10 Year Bond	Government Bonds	23-May-07	27-Apr-17	5,000,000,000
183-11.44-T13-A3	TZGGOV002415	11.44	10 Year Bond	Government Bonds	20-Jun-07	27-Apr-17	1,354,900,000
185-11.44-T14-A1	TZ1996100834	11.44	10 Year Bond	Government Bonds	11-Jul-07	11-Jul-17	1,955,700,000
185-11.44-T14-A2	TZGGOV001458	11.44	10 Year Bond	Government Bonds	15-Aug-07	8-Aug-17	4,322,000,000
185-11.44-T14-A3	TZGGOV001441	11.44	10 Year Bond	Government Bonds	12-Sep-07	8-Jul-17	5,000,000,000
188-11.44-T15-A1	TZGGOV002506	11.44	10 Year Bond	Government Bonds	3-Oct-07	30-Sep-17	5,000,000,000
188-11.44-T15-A2	TZ1996101030	11.44	10 Year Bond	Government Bonds	31-Oct-07	4-Oct-17	5,000,000,000
188-11.44-T15-A3	TZGGOV001342	11.44	10 Year Bond	Government Bonds	28-Nov-07	28-Nov-17	1,699,800,000
196-11.44-T17-A1	TZ1996100875	11.44	10 Year Bond	Government Bonds	21-May-08	21-May-18	21,569,100,000
199-11.44-T18-A1	TZ1996100883	11.44	10 Year Bond	Government Bonds	13-Aug-08	13-Aug-18	6,161,500,000
230-11.44-T19-A1	TZ1996100891	11.44	10 Year Bond	Government Bonds	11-Feb-09	11-Feb-19	12,997,600,000
235-11.44-T20-A1	TZ1996100909	11.44	10 Year Bond	Government Bonds	2-Jul-09	2-Jul-19	30,995,000,000
236-10.08-T22-A1	TZ1996100594	10.08	7 Year Bond	Government Bonds	12-Aug-09	12-Aug-16	43,600,000,000
239-10.08-T23-A1	TZ1996100602	10.08	7 Year Bond	Government Bonds	4-Nov-09	4-Nov-16	66,588,200,000
240-11.44-T21-A1	TZ1996100917	11.44	10 Year Bond	Government Bonds	2-Dec-09	3-Dec-19	26,361,600,000
243-10.08-T24-A1	TZ1996100610	10.08	7 Year Bond	Government Bonds	10-Mar-10	11-Mar-17	27,499,900,000
244-11.44-T22-A1	TZ1996100925	11.44	10 Year Bond	Government Bonds	21-Apr-10	22-Apr-20	30,000,100,000
246-10.08-T25-A1	TZ1996100628	10.08	7 Year Bond	Government Bonds	19-May-10	20-May-17	30,000,000,000
247-11.44-T23-A1	TZ1996100933	11.44	10 Year Bond	Government Bonds	2-Jun-10	2-Jun-20	74,453,900,000

8.0. APPENDICES (CONTINUED)

8.11 Outstanding Government Bonds as at 30th June 2016 (Continued)

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount(Face Value)
251-10.08-T26-A1	TZ1996100792	10.08	7 Year Bond	Government Bonds	25-Aug-10	25-Aug-17	37,135,000,000
252-11.44-T24-A1	TZ1996100941	11.44	10 Year Bond	Government Bonds	7-Sep-10	7-Sep-20	16,000,000,000
255-10.08-T27-A1	TZ1996100636	10.08	7 Year Bond	Government Bonds	20-Oct-10	20-Oct-17	22,000,000,000
257-11.44-T25-A1	TZ1996100958	11.44	10 Year Bond	Government Bonds	17-Nov-10	18-Nov-20	20,000,000,000
261-10.08-T28-A1	TZ1996100644	10.08	7 Year Bond	Government Bonds	12-Jan-11	12-Jan-18	24,900,000,000
262-11.44-T26-A1	TZ1996100966	11.44	10 Year Bond	Government Bonds	26-Jan-11	27-Jan-21	20,000,000,000
265-10.08-T29-A1	TZ1996100651	10.08	7 Year Bond	Government Bonds	9-Mar-11	10-Mar-18	28,175,100,000
266-11.44-T27-A1	TZ1996100974	11.44	10 Year Bond	Government Bonds	23-Mar-11	24-Mar-21	38,625,000,000
269-10.08-T30-A1	TZ1996100669	10.08	7 Year Bond	Government Bonds	4-May-11	4-May-18	23,165,300,000
270-11.44-T28-A1	TZ1996100727	11.44	10 Year Bond	Government Bonds	18-May-11	19-May-21	57,000,000,000
273-10.08-T31-A1	TZ1996100867	10.08	7 Year Bond	Government Bonds	29-Jun-11	29-Jun-18	39,993,000,000
274-11.44-T29-A1	TZ1996100990	11.44	10 Year Bond	Government Bonds	13-Jul-11	13-Jul-21	20,000,000,000
275-9.18-T33-A1	TZ1996100859	9.18	5 Year Bond	Government Bonds	27-Jul-11	28-Jul-16	20,000,000,000
276-9.18-T34-A1	TZ1996100479	9.18	5 Year Bond	Government Bonds	10-Aug-11	11-Aug-16	9,450,000,000
278-11.44-T30-A1	TZ1996101014	11.44	10 Year Bond	Government Bonds	7-Sep-11	8-Sep-21	30,000,000,000
281-10.08-T33-A1	TZ1996101121	10.08	7 Year Bond	Government Bonds	19-Oct-11	20-Oct-18	10,000,000,000
282-11.44-T31-A1	TZ1996101170	11.44	10 Year Bond	Government Bonds	2-Nov-11	3-Nov-21	19,840,000,000
284-9.18-T36-A1	TZ1996101196	9.18	5 Year Bond	Government Bonds	30-Nov-11	30-Nov-16	7,153,900,000
286-11.44-T32-A1	TZ1996101204	11.44	10 Year Bond	Government Bonds	28-Dec-11	28-Dec-21	876,500,000
288-9.18-T37-A1	TZ1996101220	9.18	5 Year Bond	Government Bonds	25-Jan-12	25-Jan-17	35,380,500,000
289-10.08-T35-A1	TZ1996101238	10.08	7 Year Bond	Government Bonds	8-Feb-12	8-Feb-19	25,000,000,000
290-11.44-T33-A1	TZ1996101246	11.44	10 Year Bond	Government Bonds	22-Feb-12	22-Feb-22	20,000,000,000
292-9.18-T38-A1	TZ1996101261	9.18	5 Year Bond	Government Bonds	21-Mar-12	21-Mar-17	34,983,000,000
293-10.08-T36-A1	TZ1996101279	10.08	7 Year Bond	Government Bonds	4-Apr-12	4-Apr-19	24,207,900,000
294-11.44-T34-A1	TZGGOV003108	11.44	10 Year Bond	Government Bonds	18-Apr-12	18-Apr-22	457,000,000
296-9.18-T39-A1	TZ1996101303	9.18	5 Year Bond	Government Bonds	16-May-12	16-May-17	15,200,000,000
297-10.08-T37-A1	TZ1996101311	10.08	7 Year Bond	Government Bonds	30-May-12	30-May-19	15,570,000,000
299-11.44-T35-A1	TZ1996101337	11.44	10 Year Bond	Government Bonds	27-Jun-12	27-Jun-22	15,000,000,000
311-9.18-T41-A1	TZ1996101345	9.18	5 Year Bond	Government Bonds	11-Jul-12	11-Jul-17	77,638,300,000

8.0. APPENDICES (CONTINUED)

8.11 Outstanding Government Bonds as at 30th June 2016 (Continued)

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount (Face Value)
312-10.08-T38-A1	TZ1996101352	10.08	7 Year Bond	Government Bonds	25-Jul-12	25-Jul-19	27,905,500,000
313-11.44-T43-A1	TZ1996101287	11.44	10 Year Bond	Government Bonds	7-Aug-12	7-Aug-22	29,735,000,000
315-9.18-T42-A1	TZ1996101386	9.18	5 Year Bond	Government Bonds	5-Sep-12	5-Sep-17	43,000,000,000
316-10.08-T39-A1	TZ1996101394	10.08	7 Year Bond	Government Bonds	19-Sep-12	19-Sep-19	43,000,000,000
317-11.44-T44-A1	TZGGOV003223	11.44	10 Year Bond	Government Bonds	3-Oct-12	3-Oct-22	43,000,000,000
319-9.18-T1-A1	TZGGOV003249	9.18	5 Year Bond	Government Bonds	31-Oct-12	31-Oct-17	43,000,000,000
320-10.08-T40-A1	TZGGOV003256	10.08	7 Year Bond	Government Bonds	14-Nov-12	14-Nov-19	55,000,000,000
321-11.44-T45-A1	TZGGOV003264	11.44	10 Year Bond	Government Bonds	28-Nov-12	28-Nov-22	55,000,000,000
323-9.18-T43-A1	TZ1996101410	9.18	5 Year Bond	Government Bonds	27-Dec-12	27-Dec-17	6,000,000,000
324-10.08-T41-A1	TZ1996101428	10.08	7 Year Bond	Government Bonds	9-Jan-13	9-Jan-20	52,920,000,000
327-9.18-T44-A1	TZ1996101451	9.18	5 Year Bond	Government Bonds	20-Feb-13	20-Feb-18	40,000,000,000
328-10.08-T42-A1	TZ1996101469	10.08	7 Year Bond	Government Bonds	6-Mar-13	6-Mar-20	64,805,300,000
329-11.44-T47-A1	TZ1996101477	11.44	10 Year Bond	Government Bonds	20-Mar-13	20-Mar-23	71,370,000,000
331-9.18-T45-A1	TZ1996101493	9.18	5 Year Bond	Government Bonds	17-Apr-13	17-Apr-18	43,330,000,000
332-10.08-T43-A1	TZGGOV003330	10.08	7 Year Bond	Government Bonds	30-Apr-13	30-Apr-20	35,782,500,000
333-11.44-T48-A1	TZ1996101519	11.44	10 Year Bond	Government Bonds	15-May-13	15-May-23	44,155,000,000
335-9.18-T46-A1	TZ1996101535	9.18	5 Year Bond	Government Bonds	12-Jun-13	12-Jun-18	62,282,300,000
336-10.08-T44-A1	TZ1996101543	10.08	7 Year Bond	Government Bonds	26-Jun-13	26-Jun-20	8,193,000,000
339-9.18-T47-A1	TZGGOV003421	9.18	5 Year Bond	Government Bonds	6-Aug-13	7-Aug-18	27,457,000,000
340-10.08-T45-A1	TZGGOV003439	10.08	7 Year Bond	Government Bonds	23-Aug-13	22-Aug-20	14,567,400,000
348-11.44-T50-A1	TZGGOV003447	11.44	10 Year Bond	Government Bonds	6-Sep-13	5-Sep-23	28,900,000,000
350-9.18-T48-A1	TZ1996101626	9.18	5 Year Bond	Government Bonds	3-Oct-13	2-Oct-18	5,092,500,000
351-11.44-T51-A1	TZ1996101634	11.44	10 Year Bond	Government Bonds	18-Oct-13	18-Oct-23	41,078,000,000
353-13.5-T1-A1	TZ1996101659	13.5	15 Year Bond	Government Bonds	14-Nov-13	14-Nov-28	22,967,000,000
354-10.08-T46-A1	TZ1996101667	10.08	7 Year Bond	Government Bonds	28-Nov-13	28-Nov-20	49,000,000,000
355-9.18-T49-A1	TZ1996101675	9.18	5 Year Bond	Government Bonds	12-Dec-13	12-Dec-18	40,900,000,000
356-10.08-T47-A1	TZ1996101691	10.08	7 Year Bond	Government Bonds	27-Dec-13	27-Dec-20	14,103,100,000
358-11.44-T52-A1	TZ1996101717	11.44	10 Year Bond	Government Bonds	23-Jan-14	23-Jan-24	40,598,100,000

8.0. APPENDICES (CONTINUED)

8.11 Outstanding Government Bonds as at 30th June 2016 (Continued)

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount (Face Value)
359-9.18-T50-A1	TZGGOV003561	9.18	5 Year Bond	Government Bonds	6-Feb-14	6-Feb-19	66,220,000,000
360-13.5-T2-A1	TZ1996101733	13.5	15 Year Bond	Government Bonds	20-Feb-14	20-Feb-29	22,995,000,000
361-10.08-T48-A1	TZGGOV003587	10.08	7 Year Bond	Government Bonds	6-Mar-14	6-Mar-21	69,230,000,000
363-11.44-T53-A1	TZ1996101808	11.44	10 Year Bond	Government Bonds	3-Apr-14	3-Apr-24	32,920,600,000
364-9.18-T51-A1	TZ1996101774	9.18	5 Year Bond	Government Bonds	17-Apr-14	17-Apr-19	30,905,000,000
365-13.5-T3-A1	TZGGOV003629	13.5	15 Year Bond	Government Bonds	2-May-14	2-May-29	30,893,000,000
366-10.08-T49-A1	TZGGOV003637	10.08	7 Year Bond	Government Bonds	15-May-14	15-May-21	55,500,000,000
367-11.44-T54-A1	TZGGOV003645	11.44	10 Year Bond	Government Bonds	29-May-14	29-May-24	47,200,000,000
369-10.08-T50-A1	TZ1996101824	10.08	7 Year Bond	Government Bonds	26-Jun-14	26-Jun-21	10,700,000,000
370-11.44-T1-A1	TZ1996101832	11.44	10 Year Bond	Government Bonds	10-Jul-14	10-Jul-24	45,499,000,000
371-9.18-T52-A1	TZ1996101840	9.18	5 Year Bond	Government Bonds	24-Jul-14	24-Jul-19	39,412,900,000
372-13.50-T4-A1	TZ1996101857	13.5	15 Year Bond	Government Bonds	12-Aug-14	7-Aug-29	25,599,377,000
374-7.82-T298-A1	TZ1996101873	7.82	2 Year Bond	Government Bonds	21-Aug-14	21-Aug-16	55,020,000,000
375-10.08-T51-A1	TZ1996101881	10.08	7 Year Bond	Government Bonds	4-Sep-14	4-Sep-21	35,480,000,000
376-11.44-T1-A1	TZ1996101899	11.44	10 Year Bond	Government Bonds	18-Sep-14	18-Sep-24	45,000,000,000
377-9.18-T1-A1	TZ1996101907	9.18	5 Year Bond	Government Bonds	2-Oct-14	2-Oct-19	62,000,000,000
378-13.50-T1-A1	TZ1996101915	13.5	15 Year Bond	Government Bonds	17-Oct-14	17-Oct-29	31,875,400,000
379-7.82-T1-A1	TZ1996101923	7.82	2 Year Bond	Government Bonds	31-Oct-14	31-Oct-16	38,660,000,000
380-10.08-T1-A1	TZ1996101931	10.08	7 Year Bond	Government Bonds	14-Nov-14	14-Nov-21	71,189,000,000
381-11.44-T1-A1	TZ1996101949	11.44	10 Year Bond	Government Bonds	28-Nov-14	28-Nov-24	20,010,000,000
384-7.82-T1-A1	TZ1996101980	7.82	2 Year Bond	Government Bonds	9-Jan-15	8-Jan-17	68,067,000,000
385-10.08-T1-A1	TZ1996101998	10.08	7 Year Bond	Government Bonds	22-Jan-15	22-Jan-22	59,994,000,000
386-11.44-T1-A1	TZ1996102004	11.44	10 Year Bond	Government Bonds	5-Feb-15	5-Feb-25	41,030,000,000
387-9.18-T1-A1	TZ1996102012	9.18	5 Year Bond	Government Bonds	19-Feb-15	19-Feb-20	62,106,000,000
388-13.50-T1-A1	TZ1996102020	13.5	15 Year Bond	Government Bonds	5-Mar-15	5-Mar-30	42,163,900,000
389-7.82-T1-A1	TZ1996102038	7.82	2 Year Bond	Government Bonds	19-Mar-15	18-Mar-17	55,056,200,000
390-10.08-T1-A1	TZ1996102046	10.08	7 Year Bond	Government Bonds	2-Apr-15	2-Apr-22	60,045,000,000
391-11.44-T1-A1	TZ1996102053	11.44	10 Year Bond	Government Bonds	16-Apr-15	15-Apr-25	44,980,000,000
392-9.18-T1-A1	TZ1996102061	9.18	5 Year Bond	Government Bonds	30-Apr-15	30-Apr-20	66,445,000,000

8.0. APPENDICES (CONTINUED)

8.11 Outstanding Government Bonds as at 30th June 2016 (Continued)

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount (Face Value)
393-13.50-T1-A1	TZ1996102079	13.5	15 Year Bond	Government Bonds	14-May-15	14-May-30	65,160,200,000
394-7.82-T1-A1	TZ1996102087	7.82	2 Year Bond	Government Bonds	28-May-15	28-May-17	53,969,500,000
395-10.08-T1-A1	TZ1996102095	10.08	7 Year Bond	Government Bonds	11-Jun-15	11-Jun-22	43,333,000,000
396-11.44-T1-A1	TZ1996102105	11.44	10 Year Bond	Government Bonds	25-Jun-15	25-Jun-25	38,798,600,000
398-9.18-T1-A1	TZ1996102145	9.18	5 Year Bond	Government Bonds	23-Jul-15	23-Jul-20	38,861,700,000
399-13.50-T1-A1	TZ1996102152	13.5	15 Year Bond	Government Bonds	6-Aug-15	6-Aug-30	30,018,900,000
400-7.82-T1-A1	TZ1996102160	7.82	2 Year Bond	Government Bonds	20-Aug-15	20-Aug-17	50,629,500,000
401-10.08-T1-A1	TZ1996102178	10.08	7 Year Bond	Government Bonds	3-Sep-15	3-Sep-22	19,176,800,000
402-11.44-T1-A1	TZ1996102186	11.44	10 Year Bond	Government Bonds	17-Sep-15	17-Sep-25	19,970,000,000
403-9.18-T1-A1	TZ1996102194	9.18	5 Year Bond	Government Bonds	1-Oct-15	1-Oct-20	30,100,000,000
405-7.82-T1-A1	TZ1996102210	7.82	2 Year Bond	Government Bonds	29-Oct-15	29-Oct-17	25,831,500,000
406-10.08-T1-A1	TZ1996102228	10.08	7 Year Bond	Government Bonds	13-Nov-15	12-Nov-22	73,848,300,000
407-11.44-T1-A1	TZ1996102236	11.44	10 Year Bond	Government Bonds	27-Nov-15	26-Nov-25	16,463,600,000
408-9.18-T1-A1	TZ1996102244	9.18	5 Year Bond	Government Bonds	10-Dec-15	10-Dec-20	13,665,300,000
409-13.50-T1-A1	TZ1996102253	13.5	15 Year Bond	Government Bonds	23-Dec-15	23-Dec-30	28,377,000,000
410-7.82-T1-A1	TZ1996102269	7.82	2 Year Bond	Government Bonds	7-Jan-16	7-Jan-18	21,156,100,000
411-10.08-T1-A1	TZ1996102277	10.08	7 Year Bond	Government Bonds	21-Jan-16	21-Jan-23	57,137,330,000
412-11.44-T1-A1	TZ1996102285	11.44	10 Year Bond	Government Bonds	4-Feb-16	4-Feb-26	86,566,800,000
413-9.18-T1-A1	TZ1996102293	9.18	5 Year Bond	Government Bonds	23-Feb-16	17-Feb-21	97,572,500,000
414-13.50-T1-A1	TZ1996102301	13.5	15 Year Bond	Government Bonds	3-Mar-16	4-Mar-31	37,179,500,000
415-7.82-T1-A1	TZ1996102319	7.82	2 Year Bond	Government Bonds	17-Mar-16	17-Mar-18	82,629,000,000
416-10.08-T1-A1	TZ1996102327	10.08	7 Year Bond	Government Bonds	31-Mar-16	31-Mar-23	39,349,900,000
417-11.44-T1-A1	TZ1996102352	11.44	10 Year Bond	Government Bonds	14-Apr-16	14-Apr-26	71,375,400,000
418-9.18-T1-A1	TZ1996102360	9.18	5 Year Bond	Government Bonds	28-Apr-16	28-Apr-21	69,620,100,000
419-13.50-T1-A1	TZ1996102378	13.5	15 Year Bond	Government Bonds	12-May-16	12-May-31	80,903,000,000
423-7.82-T1-A1	TZ1996102386	7.82	2 Year Bond	Government Bonds	26-May-16	26-May-18	92,754,500,000
424-10.08-T1-A1	TZ1996102394	10.08	7 Year Bond	Government Bonds	9-Jun-16	9-Jun-23	39,680,600,000
425-11.44-T1-A1	TZ1996102401	11.44	10 Year Bond	Government Bonds	23-Jun-16	23-Jun-26	46,656,900,000
							4,896,847,407,000

8.0. APPENDICES (CONTINUED)

8.12 Outstanding Corporate Bonds as at 30th June 2016

BOND NO	ISIN	COUPON	MATURITY	DESCRIPTION	ISSUED DATE	MATURITY DATE	ISSUED AMMOUNT(FACE VALUE)
EXIM-2015/21.T1	TZ1996102335	15.56	6 Year Bond	Corporate Bonds	21/12/2015	21/12/2021	14,959,000,000.00
NMB-2016/19.T1	TZ1996102442	13	3 Year Bond	Corporate Bonds	13/06/2016	13/06/2019	41,406,364,000.00
PTA-FXT01/15/05	TZ1996102137	14.03	5 Year Bond	Corporate Bonds	05/07/2015	30/04/2020	32,600,000,000.00
STAN/T.2	TZ1996100289	11.44	10 Year Bond	Corporate Bonds	22/10/2010	22/10/2020	10,000,000,000.00
				Grand total			98,965,364,000.00

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
TANZANIA BREWERIES LIMITED	2002	294,928,463	330,000	34,218	25,835
	2003	294,928,463	472,000	47,635	30,790
	2004	294,928,463	395,204	57,470	36,866
	2005	294,928,463	436,000	67,182	56,036
	2006	294,928,463	442,390	85,584	52,202
	2007	294,928,463	466,000	95,603	58,986
	2008	294,928,463	536,770	109,168	58,986
	2009	294,928,463	513,176	115,188	44,239
	2010	294,928,463	525,000	133,842	44,239
	2011	294,928,463	595,755	173,183	58,986
	2012	294,928,463	884,790	239,288	58,986
	2013	294,928,463	2,359,428	253,813	88,479
	2014	294,928,463	4,155,540	292,719	132,718
		2015	294,928,463	4,096,560	308,931
TOL GASES LIMITED	2002	32,000,000	8,319	(12,953)	-
	2003	32,000,000	10,559	(709)	-
	2004	32,000,000	10,559	4	-
	2005	32,000,000	10,559	(47)	-
	2006	32,000,000	9,596	102	-
	2007	37,223,686	14,020	293	-
	2008	37,223,686	12,320	(145)	-
	2009	37,223,686	9,981	-	-
	2010	37,223,686	9,981	-	-
	2011	37,223,686	8,495	410	-
	2012	42,472,537	11,040	1,377	-
	2013	37,223,686	11,539	945	-
	2014	55,835,490	30,710	2,021	-
	2015	55,835,490	48,580	2,200	-

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
TANZANIA TEA PACKERS LIMITED	2002	14,408,000	8,640	447	576
	2003	15,280,000	7,203	241	611
	2004	16,430,000	6,723	1,294	-
	2005	16,430,000	6,720	(2,505)	-
	2006	16,430,000	6,720	2,255	740
	2007	17,857,165	9,110	(1,593)	1,786
	2008	17,857,165	9,110	6,077	6,518
	2009	17,857,165	8,750	(504)	-
	2010	17,857,165	8,600	292	-
	2011	17,857,165	8,482	(628)	-
	2012	17,857,165	2,679	484	-
	2013	17,857,165	11,607	(2,543)	-
	2014	18,657,254	12,130	(3,678)	-
	2015	18,657,254	12,130	(5,698)	-
TANZANIA CIGARATTE COMPANY	2002	100,000,000	172,500	22,106	30,721
	2003	100,000,000	172,000	24,687	21,894
	2004	100,000,000	176,000	25,626	15,578
	2005	100,000,000	150,000	23,767	15,578
	2006	100,000,000	148,000	22,360	10,000
	2007	100,000,000	134,000	33,622	17,500
	2008	100,000,000	166,000	44,564	27,500
	2009	100,000,000	182,000	65,978	15,000
	2010	100,000,000	222,000	84,100	30,000
	2011	100,000,000	314,000	101,400	60,000
	2012	100,000,000	420,000	123,728	75,000
	2013	100,000,000	860,000	112,137	75,000
	2014	100,000,000	1,674,000	98,261	70,000
	2015	100,000,000	1,208,000	97,296	65,700

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
TANGA CEMENT COMPANY LIMITED	2002	63,671,045	28,652	7,667	3,502
	2003	63,671,045	44,570	9,950	6,367
	2004	63,671,045	70,038	9,386	3,247
	2005	63,671,045	54,120	10,528	3,629
	2006	63,671,045	61,124	23,065	11,970
	2007	63,671,045	77,679	34,422	11,779
	2008	63,671,045	118,430	43,219	7,641
	2009	63,671,045	109,514	45,830	11,397
	2010	63,671,045	121,000	-	-
	2011	63,671,045	151,537	37,085	-
	2012	63,671,045	152,810	55,933	6,400
	2013	63,671,045	128,616	46,045	7,004
	2014	63,671,045	286,520	41,990	4,139
	2015	63,671,045	118,430	8,874	7,641
NATIONAL INVESTMENT COMPANY LTD	2004	-	-	(32)	-
	2005	-	-	141	-
	2006	-	-	180	-
	2007	-	-	317	278
	2008	69,178,134	19,720	(4,500)	-
	2009	69,178,134	18,678	-	-
	2010	69,178,134	-	-	-
	2011	69,178,134	-	-	-
	2012	-	-	-	-
	2013	-	-	-	-
	2014	-	-	-	-
	2015	-	-	-	-

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
NATIONAL	2003	-	-	-	-
	2004	-	-	-	-
	2005	2,000,000	-	36,440	
	2006	2,000,000	-	46,710	5,000
	2007	2,000,000	-	57,927	8,000
	2008	500,000,000	485,000	70,935	15,000
	2009	500,000,000	395,000	68,038	15,700
	2010	500,000,000	330,000	78,445	18,000
	2011	500,000,000	425,000	102,736	25,000
	2012	500,000,000	560,000	144,662	34,000
	2013	500,000,000	1,310,000	188,131	45,000
	2014	500,000,000	1,700,000	224,659	45,000
	2015	500,000,000	1,000,000	215,166	52,000
	CRDB BANK PLC	2005	123,666,600	-	24,390
2006		123,666,600	-	38,446	2,102
2007		247,333,200	-	51,703	4,205
2008		2,176,532,160	485,000	60,005	4,253
2009		2,176,532,160	255,743	61,922	15,928
2010		2,176,532,160	250,300	65,637	17,400
2011		2,176,532,160	375,452	70,833	19,589
2012		2,176,532,160	326,480	107,702	26,100
2013		2,176,532,160	609,429	122,021	30,400
2014		2,176,532,160	935,910	132,244	24,048
2015		2,176,532,160	1,018,620	187,690	31,407

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
SWISSPORT	2002	-	-	1,946	1,024
	2003	36,000,000	19,080	3,342	1,820
	2004	36,000,000	20,520	3,234	1,946
	2005	36,000,000	21,600	4,430	2,524
	2006	36,000,000	21,960	5,062	2,796
	2007	36,000,000	25,560	5,166	2,862
	2008	36,000,000	21,600	4,847	2,592
	2009	36,000,000	21,600	5,668	3,238
	2010	36,000,000	21,600	6,322	3,327
	2011	36,000,000	29,520	10,238	5,671
	2012	36,000,000	61,920	9,723	5,378
	2013	36,000,000	96,480	11,387	5,997
	2014	36,000,000	180,360	18,693	7,106
	2015	36,000,000	262,800	25,969	14,510
TANZANIA PORTLAND CEMENT COMPANY LIMITED	2003	-	-	7,521	-
	2004	-	-	11,199	-
	2005	-	-	22,410	-
	2006	179,923,100	124,150	27,932	5,038
	2007	179,923,100	205,110	43,582	7,740
	2008	179,923,100	287,880	50,193	12,595
	2009	179,923,100	303,066	68,788	23,390
	2010	179,923,100	323,860	71,929	25,101
	2011	179,923,100	374,240	72,774	32,386
	2012	179,923,100	467,800	92,341	33,285
	2013	179,923,100	478,595	50,395	35,085
	2014	179,923,100	719,690	79,676	45,836
	2015	179,923,100	469,600	80,853	53,005

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
KENYA AIRWAYS LIMITED	2002	461,615,484	-	12,951	-
	2003	461,615,484	-	8,073	-
	2004	461,615,484	115,403	28,884	-
	2005	461,615,484	461,620	81,236	9,232
	2006	461,615,484	720,120	125,280	13,332
	2007	461,615,484	692,420	107,550	14,544
	2008	461,615,484	692,420	102,156	-
	2009	461,615,484	692,420	(98,497)	8,027
	2010	461,615,484	600,100	92,537	12,464
	2011	461,615,484	470,848	66,196	12,966
	2012	1,496,469,034	1,481,504	40,796	7,110
	2013	1,496,469,034	239,440	(201,147)	-
	2014	1,496,469,034	164,610	(104,608)	-
	2015	1,496,469,034	149,650	(639,402)	-
EAST AFRICAN BREWERIES LIMITED	2002	658,978,630	-	40,805	11,775
	2003	658,978,630	-	47,330	18,317
	2004	658,978,630	1,515,050	98,312	26,293
	2005	658,978,630	1,317,960	131,568	62,208
	2006	658,978,630	1,317,960	145,810	66,096
	2007	658,978,630	1,317,960	191,444	104,501
	2008	658,978,630	1,317,860	228,215	117,957
	2009	658,978,630	1,317,860	202,259	107,390
	2010	658,978,630	1,318,000	226,224	103,789
	2011	658,978,630	1,317,957	229,188	129,460
	2012	790,578,585	1,581,157	285,231	129,389
	2013	790,578,585	4,175,290	207,253	81,098
	2014	790,578,585	4,412,520	198,229	60,236
	2015	790,578,585	4,815,820	304,534	127,599

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
JUBILEE HOLDINGS LIMITED	2002	36,000,000	-	2,623	-
	2003	36,000,000	-	4,375	1,056
	2004	36,000,000	-	4,884	1,256
	2005	36,000,000	-	7,607	2,304
	2006	36,000,000	210,960	12,097	2,754
	2007	36,000,000	210,960	14,563	3,443
	2008	36,000,000	210,960	16,690	3,544
	2009	45,000,000	210,960	19,403	3,521
	2010	45,000,000	210,960	-	-
	2011	45,000,000	210,960	2,143	1,350
	2012	58,895,000	345,125	49,174	6,555
	2013	59,895,000	316,250	57,407	7,638
	2014	59,895,000	509,710	75,227	7,986
	2015	59,895,000	670,700	89,203	11,084
DAR ES SALAAM COMMUNITY BANK	2004	-	-	-	-
	2005	1,795,588	-	523	-
	2006	1,795,588	-	853	-
	2007	2,535,302	-	2,285	304
	2008	32,393,236	11,340	2,320	648
	2009	32,393,236	9,232	2,484	907
	2010	32,393,236	9,100	4,293	907
	2011	32,393,236	20,732	4,437	1,554
	2012	32,393,236	23,900	2,841	954
	2013	67,827,897	33,236	5,220	1,800
	2014	67,827,897	48,840	5,223	1,831
	2015	67,827,897	36,970	5,131	-

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
KENYA COMMERCIAL BANK	2003	2,217,777,777	-	11,505	3,038
	2004	2,217,777,777	-	12,684	6,542
	2005	2,217,777,777	-	28,758	15,502
	2006	2,217,777,777	-	55,313	24,262
	2007	2,217,777,777	-	77,861	27,013
	2008	2,217,777,777	975,822	111,418	41,095
	2009	2,217,777,777	975,822	104,564	38,567
	2010	2,217,777,777	975,822	176,560	38,571
	2011	2,217,777,777	1,298,074	262,488	64,313
	2012	2,855,061,944	1,256,227	314,288	91,643
	2013	2,855,061,944	1,256,227	366,607	62,541
	2014	2,855,061,944	3,207,970	453,111	108,768
	2015	2,855,061,944	2,673,310	504,528	122,882
PRECISION AIR SERVICES LIMITED	2010	193,856,750	-	-	-
	2011	193,856,750	-	1,555	-
	2012	193,856,750	92,080	1,840	-
	2013	160,469,800	73,816	(31,383)	-
	2014	160,469,800	75,420	(11,999)	-
	2015	160,469,800	75,420	(83,600)	-
"MAENDELEO BANK PLC (MBP)	2013	-			
	2014	-			
	2015	14,634,224			
SWALA GAS AND OIL (SWALA)	2014	-			
	2015	99,954,467			
UCHUMI SUPERMARKET LTD	2014				
	2015				

8.0. APPENDICES (CONTINUED)

8.13 Performance of the Listed Companies (Continued)

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
MKOMBOZI COMM BANK	2014				
	2015	20,615,272			
MWALIMU COMMERCIAL BANK LTD	2015	61,824,920			
	2016				
YETU MICROFINANCE PLC	2015	-			
	2016	12,112,894			
MUCOBA BANK PLC	2016	8,156,423			
DAR ES SALAAM STOCK EXCHANGE PLC (DSE)	2016	20,250,000			

8.0. APPENDICES (CONTINUED)

8.14. Collective Investment Schemes

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
Umoja Fund	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	29th July 2005	A unit trust fund investing in listed equity securities and bonds.
Wekeza Maisha / Invest Life	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	May 2007	An insurance linked investment plan investing in equity and fixed income securities.
Watoto Fund / Children Career Plan Unit	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	1st October 2008	To inculcate regular parents/guardians savings habit for Children. The pooled fund is invested into a balanced portfolio.
Jikimu Fund / Regular Income Unit Trust	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	3rd November 2008	To offer financial solution to investors who seek income at regular intervals and seek possibility of long term capital appreciation and to sensitize the need for a planned approach to investments.
Liquid Fund (Mfuko wa Ukwasi)	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	1st March 2013	An open ended growth scheme, which seeks to provide alternative investment opportunity to investors who wish to park their surplus/ idle funds for a short to medium term duration, at competitive rates. Low risk coupled with high level of liquidity remains the hallmark of this Fund.
TCCIA Investment Company Ltd.	P.O. Box 72678 Dar es Salaam	Initial IPO - 21st March 2005, additional fund raising 23rd September 2005	Investment in equity, debt securities and other.
National Investment Company Ltd.	Raha Towers, 4th Floor P.O Box 8528	Initial IPO - 13th November 2004, additional fund raising 23rd September 2005	Investment in equity, debt securities, and industrial and other business ventures.

8.0. APPENDICES (CONTINUED)

8.14. Collective Investment Schemes (Continued)

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
Watumishi Housing REIT	WATUMISHI HOUSING COMPANY LIMITED Golden Jubilee Tower, 4th Floor, Ohio Street/Kibo Street, P.O. Box 5119, Dar es Salaam.	The initial subscribers to the REIT were PPF; LAPF; NSSF; GEPF; NHIF; and NHC. A total of TZS 198 billion was raised from these subscribers.	To operate a scheme for construction and selling of houses to public servants. The fund will operate on a closed end basis for three years after which will be opened for other investors.
Umande Fund	CONSULTANTS FOR RESOURCES EVALUATION LIMITED, Fourth Floor, Elite City Building, P.O. Box 76800 Dar es Salaam	The offer opened on 18th May 2015 and closed on 24th July 2015	The fund operates 3 funds balanced as per investors needs as seeking long term capital appreciation which invests in equity securities, current income which invests in government papers and highly liquid corporate bonds; and current income and capital appreciation which invests mid way between equity and debt securities.

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees

No.	BROKER/DEALERS
1.	CORE SECURITIES LIMITED FOURTH FLOOR, Elite City Building P.O. Box 76800, Dar es Salaam
2.	TANZANIA SECURITIES LIMITED IPS Building, 7th Floor Samora Avenue P.O. Box 9821, Dar es Salaam
3.	SOLOMON STOCKBROKERS LIMITED. PPF House, Ground Floor Morogoro Rd./Samora Avenue P.O. Box 77049 Dar es Salaam
4.	RASILIMALI LIMITED Tacoshili Building Sokoine Drive P.O. Box 9373 Dar es Salaam
5.	ORBIT SECURITIES COMPANY LIMITED 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
6.	VERTEX INTERNATIONAL SECURITIES LTD. Annex Bldg. - Zambia High Commission P. O. Box 13412 Dar es Salaam Tel. 255 - 22 - 2110387/ 2116392 Fax: 255 - 22 - 2110387 Email: vertex@vertex.co.tz
7.	ZAN SECURITIES Head Office 1 st Floor, Muzammil Centre, Malawi Road, PO Box 2138, Zanzibar, Tanzania Branch office: 2 nd Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania
8.	EA CAPITAL LIMITED I.T. Plaza, 6th Floor, Ohio Street, P.O. Box 20650, Dar es Salaam. Email: ec@eacapital-tz.com

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees (Continued)

No.	BROKER/DEALERS
9.	OPTIMA CORPORATE FINANCE LIMITED Senga Road, Mikocheni, P.O. Box 4441, Dar es Salaam
10.	ARCH FINANCIAL & INVESTMENT ADVISORY LIMITED 2nd Floor, Wing C, NIC Life House Sokoine Drive/Ohio Street P.O. Box 38028 Dar es Salaam
11.	SMART STOCK BROKERS LIMITED 1 st Floor, Masdo House, Samora Avenue, P.O. Box 105678, DAR ES SALAAM
12.	CRDB BANK PLC Azikiwe Street, P.O. Box 268, Dar es Salaam.
No.	CUSTODIAN OF SECURITIES
1.	STANDARD CHARTERED BANK International House Shaaban Robert Str. Garden Avenue P.O. Box 9011, Dar es Salaam
2.	CRDB BANK PLC Custodial Services Unit, 12 th Floor, Golden Jubilee Towers, P. O. Box 268, Dar es Salaam, Tanzania
3.	STANBIC BANK (T) LIMITED Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tanzania. Tel: +255 22 266 6430/480 Fax: +255 22 266 6301 Website: www.stanbicbank.co.tz
4.	AZANIA BANK LIMITED 3rd Floor, Mawasiliano Towers, Sam Nujoma Road, P.O. BOX 32089, Dar es Salaam

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees (Continued)

No.	BOND TRADERS
1.	STANDARD CHARTERED BANK International House Shaaban Robert Str. Garden Avenue P.O. Box 9011 Dar es Salaam
2.	STANBIC BANK (T) LIMITED Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tel: +255 22 266 6430/480 Fax: +255 22 266 6301
3.	NMB BANK PLC NMB House, Azikiwe/Jamhuri Street P.O. Box 9213, Dar es Salaam
4.	NATIONAL BANK OF COMMERCE LIMITED Sokoine Drive & Azikiwe Street P.O. Box 1863, Dar es Salaam,
5.	CRDB BANK PLC Azikiwe Street, P.O. Box 268, Dar es Salaam.
6.	COMMERCIAL BANK OF AFRICA (T) LTD Amani Place, Ohio Street, P.O. Box 9640, DAR ES SALAAM.
No.	INVESTMENT ADVISERS
1.	ORBIT SECURITIES COMPANY LIMITED 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
2.	STANDARD CHARTERED BANK TANZANIA LIMITED International House Shaaban Robert Str. Garden Avenue P.O. Box 9011, Dar es Salaam
3.	RASILIMALI LIMITED Tacoshili Building Sokoine Drive P.O. Box 9373 Dar es Salaam

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees (Continued)

No.	INVESTMENT ADVISERS
4.	<p>CORE CAPITAL LIMITED Fourth Floor, Elite City Building P.O. Box 76800, Dar es Salaam Tel. 255 - 22 - 2123103 Fax. 255 - 22 - 2122562</p>
5.	<p>ERNST & YOUNG ADVISORY SERVICES Utalii House 36 Laibon Road, Oyster bay P.O. Box 2475, Dar es Salaam</p>
6.	<p>FTC CONSULTANTS LIMITED 2nd Floor, Osman Towers Zanaki Street P.O. Box 22731 Dar Es Salaam, Tanzania</p>
7.	<p>NATIONAL BANK OF COMMERCE LTD. Sokoine Drive & Azikiwe Street P.O. Box 1863, Dar es Salaam, Tanzania</p>
8.	<p>EQUITY FOR TANZANIA LTD. (EFTA) P.O. Box 1747 Moshi.</p>
9.	<p>CORNERSTONE PARTNERS LTD. Unit 217, Harbour View Tower Samora Avenue P. O. Box 9302 Dar es Salaam, Tanzania</p>
10.	<p>STANBIC BANK (T) LTD Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tanzania.</p>
11.	<p>ZAN SECURITIES Head Office 1st Floor, Muzammil Centre, Malawi Road, PO Box 2138, Zanzibar, Tanzania Tel: +255 24 223.8359 Fax: +255 24 223.8358 Branch: 2nd Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania</p>

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees (Continued)

No.	INVESTMENT ADVISERS
12.	STANLIB TANZANIA LIMITED Maktaba Square, 4th Floor, Maktaba Street, P.O. Box 7495 Dar es Salaam c/o Rex Attorneys
13.	OMEGA CAPITAL LIMITED P.O. Box 23227 c/o CORE SECURITIES LIMITED, Elite City Building, Samora Avenue, P.O. Box 76800, Dar es Salaam.
14.	TANZANIA MORTGAGE REFINANCE COMPANY 15th Floor, Golden Jubilee Tower, P.O. Box 7539 DAR ES SALAAM
15.	M CAPITAL PARTNERS LIMITED M Capital Partners Limited, 8, Obama Drive, P.O. Box 96 DAR ES SALAAM
16.	SMART STOCK BROKERS LIMITED 1 st Floor, Masdo House, Samora Avenue, P.O. Box 105678, DAR ES SALAAM
17.	EXIM BANK TANZANIA LIMITED P.O. Box 1431, DAR ES SALAAM.
16.	VERVET GLOBAL LIMITED Vervet Global Limited, 1st Floor, C&G Plaza, P.O. Box 75886, Dar es Salaam.
No.	FUND MANAGERS
1.	ORBIT SECURITIES LIMITED 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
2.	SOLOMON STOCK BROKERS LIMITED PPF House, Ground Floor Morogoro Rd./Samora Avenue P.O. Box 77049 Dar es Salaam

8.0. APPENDICES (CONTINUED)

8.15. Register of Licensees (Continued)

No.	FUND MANAGERS
3.	E.A. CAPITAL LIMITED E.A Capital (T) Limited, I.T Plaza, 6th Floor, Ohio Street, P.O. Box 20650, Dar Es Salaam.
4.	UNIT TRUST OF TANZANIA – ASSET MANAGEMENT AND INVESTORS SERVICES PLC (UTT-AMIS) 3rd Floor, Sukari House Sokoine Drive / Ohio Street P.O. Box 14825 Dar es Salaam
5.	WATUMISHI HOUSING COMPANY LIMITED Golden Jubilee Tower, 4th Floor, Ohio Street/Kibo Street, P.O. Box 5119, Dar es Salaam.
6.	OPTIMA CORPORATE FINANCE LIMITED Senga Road, Mikocheni, P.O. Box 4441, Dar es Salaam
7.	CORNERSTONE PARTNERS LTD. Unit 217, Harbour View Tower Samora Avenue P. O. Box 9302 Dar es Salaam, Tanzania
8.	SMA CAPITAL LIMITED P.O. Box 10751 House no. 14, Kilimanjaro Street Mikocheni A, DAR ES SALAAM.
No.	NOMINATED ADVISERS
1.	CORE CAPITAL LIMITED, Fourth Floor, Elite City Building P.O. Box 76800 Dar es Salaam Tel. 255 - 22 – 2123103 Fax. 255 - 22 – 2122562
2.	ARCH FINANCIAL & INVESTMENT ADVISORY LIMITED 2nd Floor, Wing C, NIC Life House Sokoine Drive/Ohio Street P.O. Box 38028 Dar es Salaam



6th Floor, PPF Tower, Ohio Street/Garden Avenue
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Email: info@cmsa.go.tz; omaceo@cmsa.go.tz
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