

CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

ANNUAL
REPORT

2017 -2018



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 aimed at developing among others capital markets in Tanzania. The development of capital markets enable 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.

Given that 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 2017/2018, the CMSA continued with the review of the Capital Markets Act with a view to developing proposals for a new Act that addresses identified challenges.

Furthermore, following the enactment of the Commodity Exchanges Act 2015, the CMSA is 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

To be a professional regulator of capital markets that meet international standards of inclusion and investor protection.

Our Mission:

To create enabling environment for the development and maintenance of a fair, inclusive, efficient, transparent, innovative and sustainable capital and commodity markets which fuel economic growth.

Priorities:

In the financial year 2017/18 CMSA focused on the following priorities;

- Improving coordination and policy direction of the securities industry.
- Mobilization of resources for implementation of industrialization objective,
- Promulgation of a legal and regulatory framework that addresses the existing and emerging challenges to ensure resilience, soundness and safety of the capital markets and commodity exchanges in the country
- Enhancing capital and commodity markets awareness campaigns among investors, issuers, farmers, policy makers and the general public.

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LIST OF ABBREVIATIONS

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

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

1. TRANSMITTAL LETTER

CMSA/FI/I

31st December 2018.

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 2017/2018

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 2018.

This report covers the operational performance, financial performance and the Auditors Report for the financial year 2017/2018. 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 blue ink, appearing to be 'J. Mduma', written in a cursive style.

Dr. John K. Mduma
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 pleased to submit the Capital Markets and Securities Authority (CMSA) Annual Report for the Financial Year 2017/18. The report covers the fifth and final year of implementation of the CMSA Five Year Strategic Plan 2013/14 – 2017/18.

The strategic initiatives of the year under review enabled development of the next CMSA Five Year Strategic Plan that provides the direction of the capital markets in Tanzania for the years 2018/19 – 2022/23; progression of the efforts on development of the National Capital Markets Policy; and drafting of the new capital markets legislation that takes into account developments in technology and market practices in the global space. Positive strides were also made in other strategic objectives including improved financial sustainability of the CMSA and improved financial inclusion and literacy.

Completion of the Capital Markets Policy is expected to steer the overall direction in tapping on opportunities available and addressing challenges facing the capital markets industry in Tanzania. For effective implementation of the Policy, enactment of the new Capital Markets Act and its subsidiary legislations bridges gaps related to compliance with the International Organisation of Securities Commissions (IOSCO) standards for capital markets regulation; the East African Community Council Directives; among other things.

Some strides have also been made towards strengthening the capacity of the CMSA and demonstrating financial sustainability. The financial year 2017/18 was the second year during which the CMSA was able sustaining financing of its operations without Government subvention. Further to that, the Authority was able to develop the new Five Years Strategic Plan for financial years 2018/19 to 2022/23 using domestic human and financial resources.

The Authority will continue to strengthen resource mobilization and optimise the use of available resources in order to maximise the pace in the attainment of its objectives in line with broader national policy direction. The objectives include ensuring development of efficient, fair and transparent capital markets; facilitating economic development through infrastructure financing and contributing towards Government's consolidated fund. In that vein the CMSA aims at attaining its rightful role of stimulating economic development through resources mobilization for development projects thereby creating wealth, reducing poverty and increasing government revenue.

On behalf of the members of the Authority, Management and Staff of the CMSA, I would like to express my sincere appreciation to the Government of the United Republic of Tanzania through the Ministry of Finance and Planning and the Bank of Tanzania for their

continued support in developing the capital markets in the country. I would also like to express gratitude to our development partners including the United Nations Capital Development Fund (UN-CDF); the Financial Sector Deepening Africa (FSD Africa) and the Financial Sector Deepening Trust Tanzania (FSDT) for their continued financial and technical support in our capital markets development initiatives. As we embark on developing deep, diversified and inclusive capital markets in Tanzania, their continued support in the coming years will remain critical.

I also take special cognizance of the cordial relationship that have existed with all our stakeholders including Members of the Authority, Management and Staff of the CMSA and market players. Their commitment and dedication in developing, regulating and supervising the securities industry in the country is ever appreciated.

A handwritten signature in blue ink, appearing to be 'J. Mduma', with a long, sweeping horizontal stroke extending to the right.

Dr. John K. Mduma
CHAIRMAN

4.0. CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017- 2018

4.1 The CMSA's Corporate Governance Philosophy

CMSA seeks to adopt international best practices that are required in the area of Corporate Governance and therefore considers itself a trustee of its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their interests.

The Authority aspires to be the benchmark for value creation and good corporate citizenship and 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 securities industry comprises the regulatory authority which is the CMSA; operators of the financial markets infrastructure (stock and commodity exchanges, central securities depositories, trade repositories and securities settlement and payment systems); and market intermediaries (dealers, investment advisers, fund manager, collective investment schemes, custodian of securities, commodity exchange traders and dealers, bond traders and nominated advisers).

The Board of the CMSA provides strategic guidance and direction to the Management in accordance with corporate governance principles and Board charter. The Management is charged with the general responsibility for the day to day activities supported by staff of the Authority.

The regulatory framework consists mainly of the Capital Markets and Securities Act (Cap. 79) and the Commodities Exchanges Act [Act No: 19 of 2015] as principal legislation that are supported by various subsidiary legislation and guidelines.

4.3. The Board of the Capital Markets and Securities Authority

The Board is 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 administration 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.	Dr. John Kedi Mduma	Chairman	23 rd February 2017	22 nd February 2020
2.	Prof. Benno Ndulu	Governor of BOT- Member ex officio	8 th January, 2008	21 st January, 2018
3.	Prof. Florens Luoga	Governor of BOT- Member ex officio	22 nd January 2018	Member ex officio
4.	Hon. George Masaju	Attorney General-Member ex officio	2 nd January, 2015	31 st January, 2018
5.	Hon. Dr. Adelardus Kilangi	Attorney General-Member ex officio	1 st February, 2018	Member ex officio
6.	Mr. Frank Kanyus	Registrar of Companies-Member ex officio	Member ex officio	Member ex officio
7.	Mr. Juma A. Hafidh	Member	4 th July 2015	3 rd July 2018
8.	Mr. Geoffrey Msella	Member	4 th July 2015	3 rd July 2018
9.	Dr. Severine Kessy	Member	4 th July 2015	3 rd July 2018
10.	Ministerial Appointee	Member	Vacant	Vacant
11.	Representative of Principal Secretary to the Treasury	Member ex officio	Vacant	Vacant
12.	Mrs. Nasama Massinda	CEO- Ex officio	Member- Ex officio	31 th December, 2017
13.	Mr. Nicodemus Mkama	CEO- Ex officio	1 st January, 2018	Member- Ex officio



Dr. John Mduma
Chairman



Prof. Florens Luoga
Member Ex Officio



Hon. Dr. Adelardus Kilangi
Member Ex Officio



Mr. Frank Kanyus
Member Ex Officio



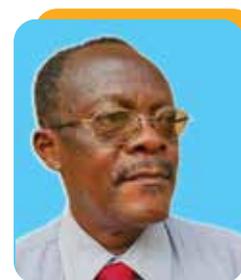
Mr. Nicodemus Mkama
Member Ex Officio



Dr. Severine Kessy
Member



Mr. Juma A. Hafidh
Member



Mr. Geoffrey M. Msella
Member

4.3.2. Meetings of the Authority

The Authority met quarterly for its ordinary meetings during the financial year 2017/18. There were two Extra Ordinary Meetings that is the 116th Extra Ordinary Meeting of the Authority held on 6th December, 2017 to discuss Audited Financial Statements for the Financial Year 2016/2017 and Management Audit Report and the 117th Extra Ordinary Meeting held on 4th April, 2018 to discuss the Annual Work Plan and Budget for FY 2018/2019.

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 three times to deliberate on various issues including license applications, approval of prospectuses and other offering documents.
- The Authority's Committee on Audit and Risk met three 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 members of the above committees of the Authority are indicated in item 9.2. 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:

a) Ordinary Meetings

Meeting	Date held	Members
86 th Ordinary Meeting	27/7/2017	6
87 th Ordinary Meeting	8/11/2017	6
88 th Ordinary Meeting	1/2/2018	8
89 th Ordinary Meeting	21/5/2018	6

b) Extra Ordinary Meetings

Meeting	Date Held	Members
116 st Extra Ordinary meeting of the Authority	6/12/2017	7
117 th Extra Ordinary meeting of the Authority	4/4/2018	7

c) Corporate Approval and Licensing Committee

Meeting	Date Held	Members
19 th Corporate Approval and Licensing	11/9/2017	3
20 th Corporate Approval and Licensing	7/5/2018	3
21 st Corporate Approval and Licensing	28/6/2018	3

d) Audit and Risk Committee

Meeting	Date Held	Members
22 nd Audit and Risk Committee	9/10/2017	3
23 rd Audit and Risk Committee	6/12/2017	3
24 th Audit and Risk Committee	23/3/2018	3

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 until 31st December 2017 when she attained retirement. With effect from 1st January 2018 Mr. Nicodemus Mkama was appointed as Chief Executive Officer of the CMSA. 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 2016/2018:

Figure 1: The Management Team



Mr. Nicodemus Mkama
Chief Executive Officer



Mr. Exaut Julius
Ag. Director, Market Supervision
and Market Development



Ms. Fatma Simba
Director, Legal Affairs
and Enforcement



Vacant
Director, Research,
Policy and Planning



Joseph Wilbert
Ag. Director Corporate Services



Mr. Charles P. Shirima
Manager Public Relations



Selenga I Kaduma
Manager Licensing
and Enforcement



Mr. Alfred Mkombo
Manager Internal Audit



Msonga Msigala
Ag. Manager Finance

5.0. CHIEF EXECUTIVE OFFICER'S STATEMENT

The securities industry experienced steady growth in terms of improved transaction volumes traded and turnover; increased number of products and investors in the market; growth of market capitalization and upward movement of the share index all of which were supported by strong real GDP growth rate at 7.1%, a fairly stronger growth rate as compared to the growth rate of 7.0% recorded in the previous year.

The positive trends can be attributed to investors' confidence in the manufacturing companies and the increase in listed companies which witnessed a number of IPOs and relisting. The positive trend is also attributed to positive response on the awareness programmes performed to different audiences including the capital markets universities and higher learning institutions challenge which has resulted to steady growth of the local investor base and increased participation in secondary trading of securities.

In order to ensure continued implementation of strategic initiatives that conform to the strategic direction of the capital markets, during the financial year 2017/18 CMSA finalized implementing strategic initiatives under the Strategic Plan 2013/14 to 2017/18 and devised strategic initiatives for the new Strategic Plan for the financial years 2018/19 to 2022/23.

Strategic initiatives that were implemented during the financial year 2017/18 as part of the objectives contained in the previous strategic plan included, drafting of a National Capital Market Policy; drafting of the concept paper for the development of the National Capital Market Master Plan; strengthening of the market supervision and investigation function; increasing of the depth and breadth of the market; conducting public education and awareness programmes; enhancing financial inclusion and literacy; increasing number and competence of markets professionals by conducting Securities Industry Certification Courses; improving CMSA's institutional profile and enhancing CMSA's capacity in service delivery.

Nevertheless, there are initiatives that were either partially or not achieved related to issues that were outside the scope of the CMSA to implement and have been carried over and are expected to be accomplished in the next financial year. These include the enactment of the new Capital Markets Act, finalization of the National Capital Market Master Plan, regulation of direct mobile access to financial markets (M-Akiba); framework for regulation of public unlisted companies and renovation of CMSA office building.

In supervising the markets, the CMSA continued to monitor activities of the DSE as well as formulating principles for guidance of the market so as to protect investors' interest against any abuses; closely monitored the conduct of markets players and intermediaries; and promoting transparency and fair-dealing by its licensees in the conduct of their business with customers.

The CMSA made significant strides towards attaining and sustaining financial sustainability, as it was able to cover costs related to personnel emoluments and some of operational charges using market generated revenues.

In the next financial year, CMSA plans to intensify its efforts to guide the raising of funds through infrastructure bonds and municipal bonds for infrastructure developments as well as encouraging various entrepreneurs to utilize the Enterprise Growth Market Segment (EGM) of the DSE in order to facilitate SMEs and start-ups to take their rightful role in industrialization drive and wealth creation. The objective is to achieve implementation of the CCM election manifesto which seeks to transform the country's economy to self-sustainable semi industrialized economy by 2025 in line with the National Development Vision 2025.

To stimulate demand of the securities products and encourage wider participation, strategic initiatives to grow the market and enhance investor protection will continue to be implemented in the next financial year. This is expected to be achieved through undertakings such as market and professional development programs; conducting intensive public education and awareness programmes; improving the capacity of the CMSA to adequately deliver services; and increased application of technology. Other initiatives in this regard will include strengthening the institutional and technical capability of market participants; ensuring a robust policy, legal and regulatory framework for capital markets and commodity exchanges; and enhancing and maintaining corporate image of the CMSA.

Successful implementation of the above initiatives will facilitate appropriate utilization of opportunities to promote socio-economic development, raise ethical standards for all markets players and increase public trust towards capital markets and financial sector in general. It is also expected to provide opportunities for broader local ownership and expand long term financing opportunities to productive sectors that would in turn stimulate economic growth.

Notwithstanding the strides that the Tanzanian capital markets industry has achieved, concerted efforts and collaboration with key stakeholders have been instrumental of which we endeavour for its continuity. In recognition of the concerted efforts, I would like to extend my gratitude to the Members of the Authority for their guidance; and Management and Staff of the CMSA for their devotion in the implementation of the strategic initiatives. It is my sincere hope that the achievements realized and the challenges ahead will serve as a catalyst in steering continued commitment and participation of all stakeholders in the crusade of developing and maintaining inclusive, efficient, transparent, innovative and sustainable capital and commodity markets in Tanzania.

A handwritten signature in blue ink, appearing to be 'Nicodemus D. Mkama', with a long horizontal stroke extending to the right.

Nicodemus D. Mkama
CHIEF EXECUTIVE OFFICER

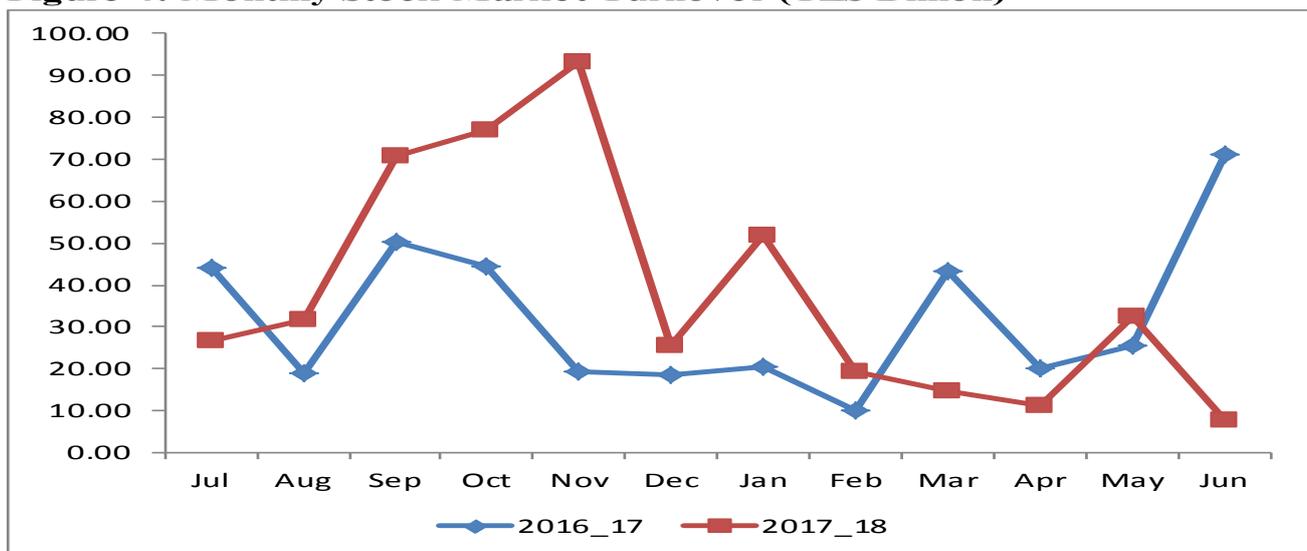
6.0. PERFORMANCE OF THE CAPITAL MARKETS IN TANZANIA

6.1. THE EQUITIES MARKET

6.1.1. Market Turnover and Volume

During the year 2017/18 the equity market improved in turnover and volumes traded. Total value of shares traded at the Dar es Salaam Stock Exchange was TZS 461.91 billion as compared to shares worth TZS 388.38 billion traded in the preceding year which is equivalent to a growth of 18.93%. The increase in turnover and volumes traded is attributed to the increase in counters and liquidity thereof at the exchange as a result of listing of Vodacom Tanzania Limited (VODA), TCCIA Investment Company Limited (TICL) and relisting of National Investment Company Limited (NICOL). The number of shares which exchanged hands during the year was 287.48 million in 11,245 deals while the total number of shares traded during the previous year was 108.39 million traded in 12,506 deals.

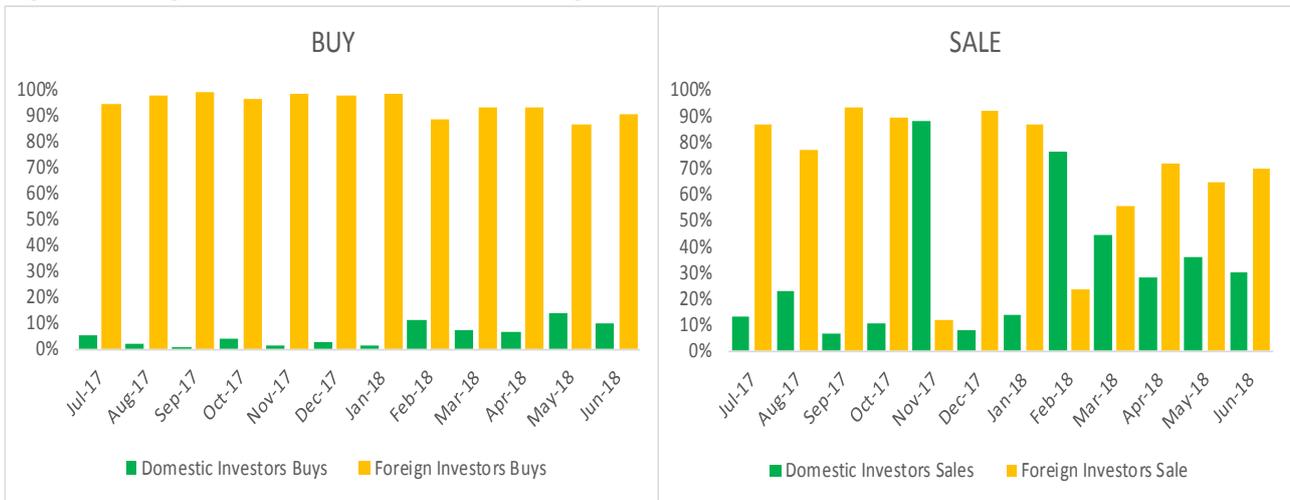
Figure 4: Monthly Stock Market Turnover (TZS Billion)



Source: CMSA

The average foreign investors' participation ratio on the buy side was 94.5% as compared to 90% registered in 2016/17. Foreign investors' activities on the sale-side increased to an average of 68.5% from an average of 65% recorded in the previous year. In absolute terms the overall foreigners' activities increased in the market leading to growth of 18.93% in market turnover in the financial year 2017/18.

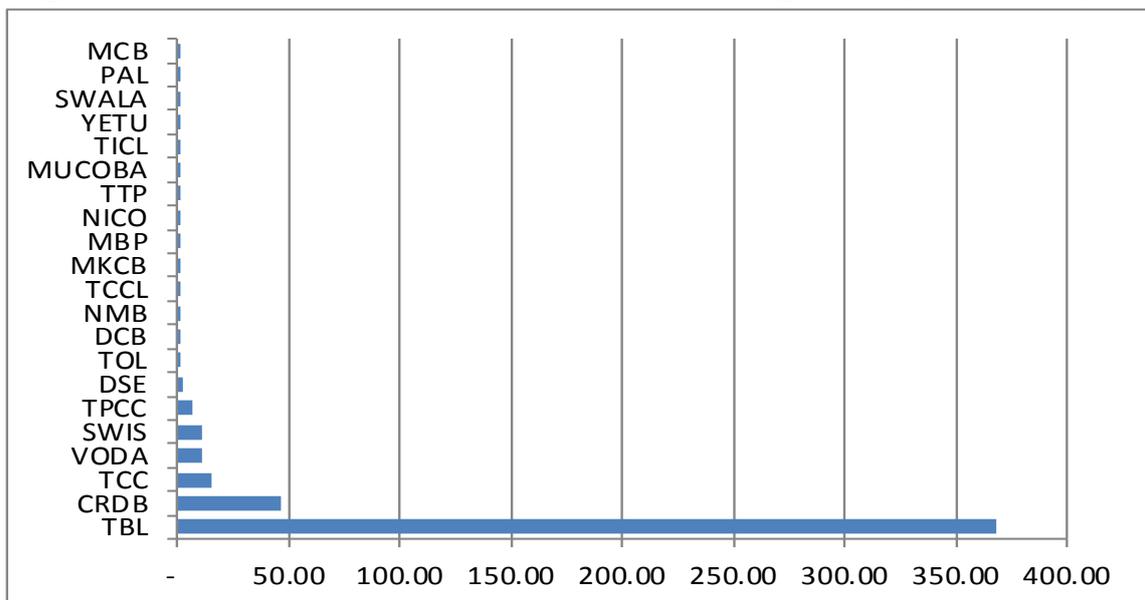
Figure 5: Foreign Investors Activities in the Exchange



Source: CMSA

The top traded equities in terms of value during the year were Tanzania Breweries Limited (TBL), CRDB Bank Ltd (CRDB), Tanzania Cigarette Company (TCC), Vodacom Tanzania Limited (VODA), Swissport Tanzania Ltd (SWIS) and Tanzania Portland Cement Company Ltd (TPCC) contributing 80%, 10%, 3%, 2%, 2% and 1%, respectively of the total turnover.

Figure 6: Annual Individual Performance in Trading Value (TZS Billion)

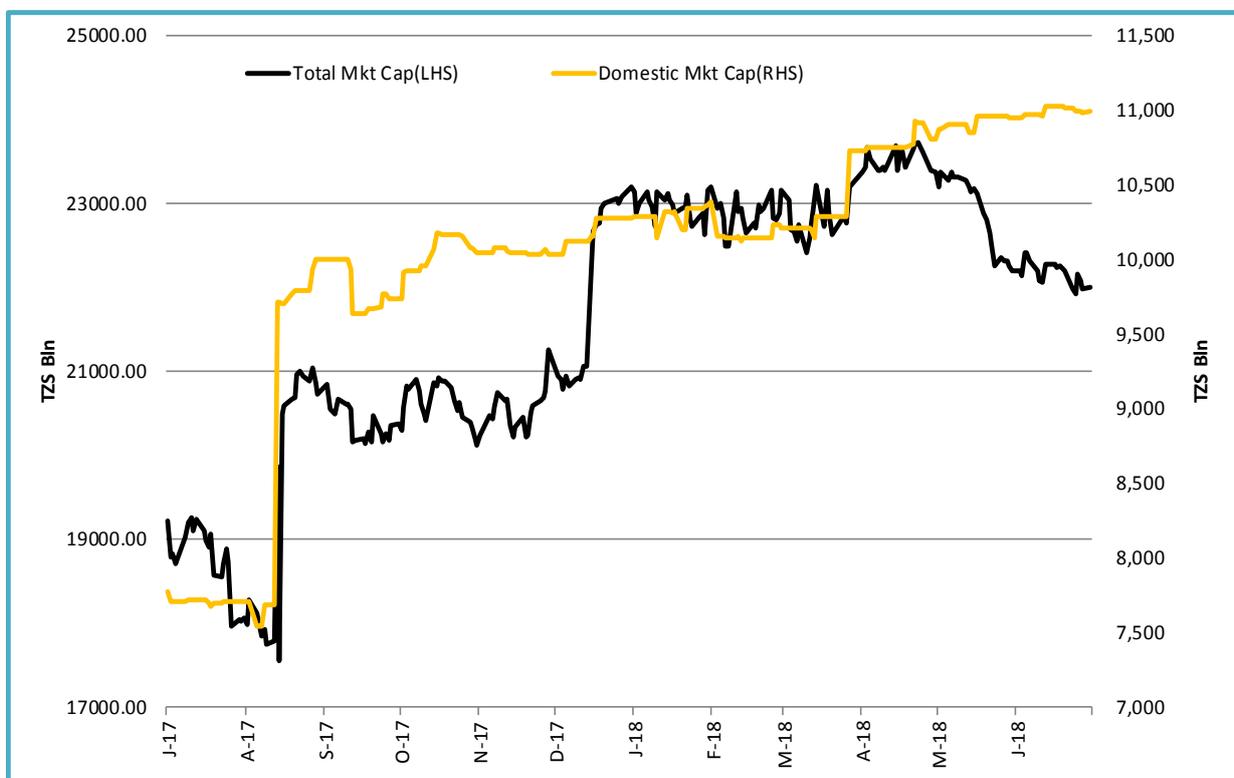


Source: CMSA

6.1.2. Market Capitalization

Total market capitalization increased by 12.29% to close at TZS 21,987.76 billion as at 30th June 2018 from TZS 19,286.47 billion as at 30th June 2017. Similarly, domestic market capitalization rose by 29.40% from TZS 7,758.72 billion at the close of June 2017 to settle at TZS 10,989.85 billion at the close of June 2018. The increase in market capitalizations resulted from the rise in share prices of the listed companies, listing of Vodacom Tanzania Limited (VODA), Listing of TCCIA Investment Company Limited (TICL) and relisting of National Investment Company Limited (NICOL). The top gainers included KA (57%), TCC (54%), DSE (34%), and TBL (23%).

Figure 7: Market Capitalization Trend (in Millions TZS)



LHS: Left Hand Scale; RHS: Right Hand Scale

Source: CMSA

6.1.3. Market Indices

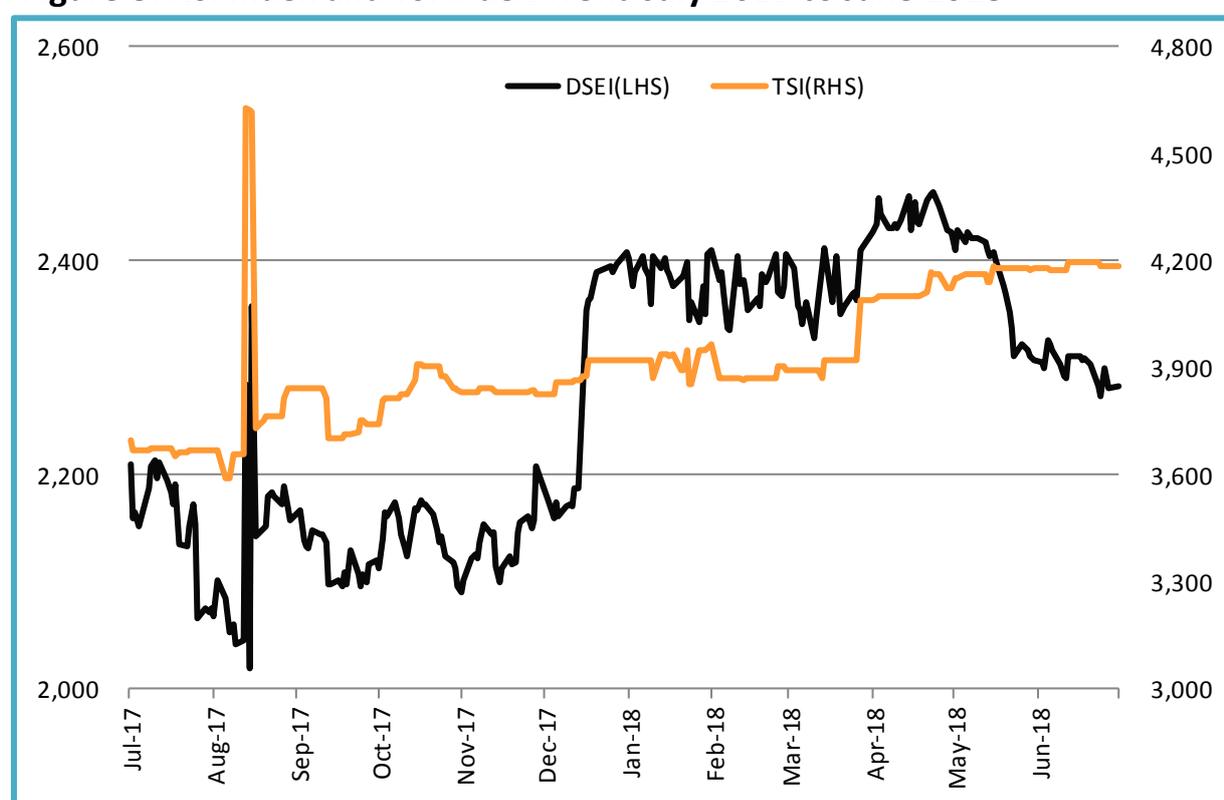
In line with the general trend, broad based indices experienced an upturn during 2017/18. The DSE All Share index closed at 2,281.12 points, which is a 2.9% increase as compared to the previous year ended 30th June 2017. The increase in the index was attributed to the appreciation of listed companies during the year under review. TSI experienced an increase of 13.3% to close at 4,183.90 points as compared to 3,692.03 points registered as at 30th June 2017.

Tables 2: Market Indices June “18”, March “18”, and June “17

Indices	30-Jun-18	31-Mar-18	30-Jun-17	Quarterly Change (%)	YOY-Change
All Shares Index (DSEI)	2,281.12	2,409.04	2,217.08	-5.3%	2.9%
Tanzania Share Index (TSI)	4,183.90	4,092.14	3,692.03	2.2%	13.3%
Industrial & Allied (IA)	6,186.87	5,847.88	4,914.43	5.8%	25.9%
Banks, Finance & Investment (BI)	2,503.79	2,543.87	2,514.64	-1.6%	-0.4%
Commercial Services (CS)	2,331.27	2,463.93	2,467.34	-5.4%	-5.5%

Source: DSE Market Report, CMSA

Figure 8: ASI Index and TSI Index Trend July 2017 to June 2018



LHS: Left Hand Scale; RHS: Right Hand Scale

Source: CMSA

The Banking, Finance and Investment (BI) Index decreased slightly by 0.4% during the financial year ended June 2018 to close at 2,503.79 points from 2,514.64 points recorded for the year ended June 2017. The decrease in the index was mostly attributed to the DCB, MKCB, CRDB and MBP share price decrease from TZS 400, TZS 900, TZS 175 and TZS 600 as at 30th June 2017 to TZS 340, TZS 800, TZS 160 and TZS 590 respectively as at

the close of June 2018. The Industrial and Allied Index increased by 25.9% to 6,186.87 points as at 30th June 2018 from 4,914.43 points as at 30th June 2017, attributed to high demand in Industry and Allied Sector particularly in the shares of TBL and TCC due to Government's efforts to boost industrialization in the country. The Commercial Services Index decreased by 5.5% from 2,467.34 points as of 30th June 2017 to 2,331.27 points as at 30th June 2018 driven by a drop in share price of SWIS.

6.2 THE BOND MARKET

6.2.1 Primary Market

During 2017/18, Treasury bond worth TZS 2,527.7 billion were offered compared with TZS 2,619.6 billion offered in the previous year. The bonds were generally oversubscribed, with 2-year, 5-year and 15-year bond being overly oversubscribed whereas 7-year and 10-year bonds slightly oversubscribed. The tendered amount was TZS 4,962.2 billion compared to TZS 3,131.8 billion recorded in the preceding year. Successful bids were TZS 2,583.4 billion compared to TZS 1,696.8 billion recorded in the year 2016/17. The yield of 2-, 5-, 7-, 10- and 15-year bonds decreased to 10.61%, 12.42%, 13.69%, 13.91% and 15.34% from 17.34%, 17.46%, 17.88%, 17.81% and 18.84%, respectively.

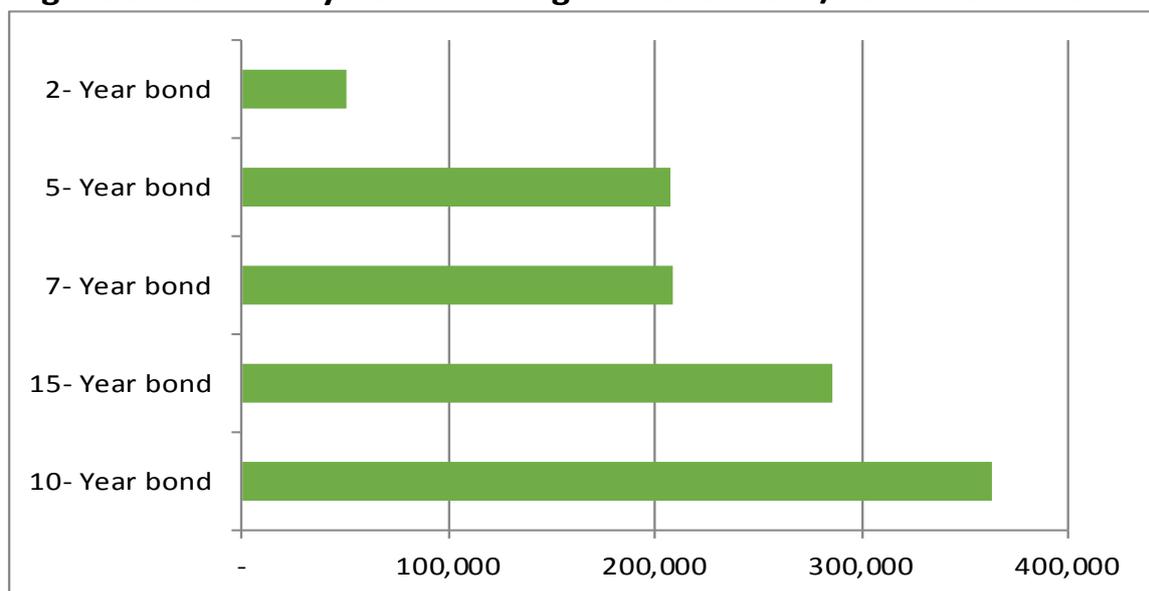
6.2.2 Secondary Market

During the year 2017/18 treasury bonds traded at the Dar es Salaam Stock Exchange amounted to TZS 1,115.12 billion, a 92% increase as compared to the previous year. The 10- and 15-year bonds were the most traded bonds accounting for 33% and 26% respectively, while 2-year bond was the least traded bond accounting for only 5% of the total turnover from bond trading. In 2017/18, the weighted average yield to maturity for 2-, 5-, 7-, 10-, and 15-year bonds were 8.06%, 11.52%, 11.99%, 11.68%, and 13.85% respectively. The average yields in different maturities declined throughout the year showing the signs of improving liquidity after deliberate measures by the Bank of Tanzania to cut down the statutory minimum reserve and discount rate in the year 2017/18.

On the corporate bond segment, corporate bonds worth TZS 765.50 million were traded at TZS 728.00 million. The activities in the corporate bond market were attributed to the efforts by the CMSA to launch retail bonds in the previous financial years.

Treasury bonds with different maturities worth TZS 9.11 trillion were outstanding as at the end of June 2018 while listed Corporate Bonds with face value of TZS 134.90 billion were outstanding.

Figure 9: Secondary Bond Trading Turnover 2017/18 in TZS Million



Source: CMSA

6.3 PERFORMANCE AND CONTINUOUS DISCLOSURE BY LISTED COMPANIES:

In the year 2017 most listed companies made profit and their overall performance was satisfactory. Listed companies in banking sector remained sound, stable and profitable with levels of capital and liquidity generally above regulatory requirements. Among listed commercial banks; CRDB, NMB, MBP, MUCOBA and YETU made profits while DCB Bank, Mwalimu Commercial Bank (MCB) and Mkombozi Commercial Bank (MKCB) made losses in 2017.

The Commercial Services Sector performed well with Swissport Tanzania Plc (SWIS) making profit while Precision Air Limited (PAL) reduced its losses to TZS 27.24 billion in 2017 from TZS 96.48 billion recorded in 2016. The decline in the losses of PAL is largely attributed to the decreased loss in foreign currency exchange to TZS 8.5 billion as compared to loss of TZS 50.74 billion recorded in 2016 and the reversal of impairment losses on aircrafts. Other notable improvement was observed in the company's revenue which went up by 4% and finance costs which went down by 14%.

Four (4) out of Six (6) manufacturing companies made profits during the year 2017 similar to the year 2016. TBL, TCC, TPCC and TOL Gases made profits of TZS 161.44 billion, TZS 45.36 billion, TZS 35.60 billion and TZS 2.17 billion respectively while the TCCL and TATEPA made losses. Out of four manufacturing companies that made profits, three companies TBL, TCC and TPCC paid dividends of TZS 350 per share, TZS 500 per share and TZS 290 per share respectively while TOL did not pay any dividends. Despite incurring a loss during the year TCCL paid dividend of TZS 25 per share while TATEPA did not pay dividend.

Vodacom Tanzania Plc representing the telecommunication companies listed at the Dar es Salaam Stock Exchange published its audited financial statements for the year ended 31st March, 2018. The company recorded net profit amounting to TZS 170.24 billion compared to TZS 47.55 billion recorded during the previous year. Out of the year profit, the company declared a total dividend of TZS 28.46 billion which is equals to TZS 12.47 per share paid to its shareholders during the year.

Table3: Summary of Domestic Listed Companies Performance for the period ended December 2017

S/N	Name of the company	Trading Symbol	Net Profit December 2017 (TZS Mln)	Net Profit December 2016 (TZS Mln)	Price	EPS (TZS)	P/E	Dividend per share	Dividend Yield (Trailing)	Market Capitalization (TZS Bln)
1	CRDB Bank PLC	CRDB	53,578	111,798	160	14	9%	10	6.12%	417.89
2	DCB Commercial Bank Plc	DCB	(3,191)	(4,360)	380	(47)	-12%	-	0.00%	25.77
3	Dar es Salaam Stock Exchange Plc	DSE	1,108	732	1,120	36	3%	42	3.75%	26.68
4	Maendeleo Bank Plc	MBP	970	555	600	15	2%	21	3.58%	8.78
5	Mwalimu Commercial Bank	MCB	(4,271)	(730)	500	(66)	-13%	-	0.00%	30.91
6	Mkombozi Commercial Bank Plc	MKCB	(204)	1,001	890	(0)	0%	-	0.00%	18.35
7	MUCOBA	MUCOBA	315	267	400	39	10%	17	4.25%	3.26
8	National Investment Company Pls*	NICO								
9	National Microfinance Bank Plc	NMB	95,609	156,153	2,750	191	7%	64	2.33%	1,375.00
10	Precision Air Services Plc	PAL	(27,242)	(96,476)	470	(170)	-36%	-	0.00%	75.42
11	Swala Oil and Gas (Tanzania) plc**	SWALA	(1,052)	(1,052)	500	(11)	-2%	-	0.00%	49.98
12	Swissport Tanzania Plc	SWIS	6,271	8,644	3,800	174	5%	-	0.00%	136.8
13	Tanzania Breweries Limited*	TBL	113,473	234,600	14,000	193	1%	770	5.50%	4,130.78
14	Tanzania Cigarette Company	TCC	45,357	68,669	16,800	454	3%	500	2.98%	1,680.00
15	Tanga Cement Plc	TCCL	(15)	11	1,200	(232)	-19%	25	2.08%	76.41
16	TCCIA Investment Co Ltd*	TICL								
17	TOL Gases Limited	TOL	2,171	2,761	780	38	5%	-	0.00%	44.85
18	Tanzania Portland Cement Company	TPCC	35,596	39,838	1,460	198	14%	267	18.29%	262.69
19	TATEPA Ltd***	TTP	(2,300)	(1,603)	600	(87)	-14%	-	0.00%	11.19
20	Vodacom Tanzania Ltd	VODA	18,897	32,680	850	10	1%	7	0.87%	1,904.00
21	Yetu Microfinance Bank Plc	YETU	434	401	600	123	21%	-	0.00%	7.27

Source:CMSA

* NICO has been relisted in May 2018 and TICL is a newly listed since March 2018

**unaudited June 2017

*** audited for y/e 30 September 2017 TTP and 31 March 2017 PAL

6.4 PERFORMANCE OF COLLECTIVE INVESTMENT SCHEMES

6.4.1 Open Ended Collective Investment Schemes

The UTT AMIS continued to publish the Net Asset Values (NAV) of the collective investment schemes under its management. During 2017/18, two schemes experienced positive inflows which are Umoja fund and Liquid fund. Umoja fund experienced the highest positive inflows in the year amounting to TZS 23,143.13 million followed by Liquid fund at TZS 17,166.84 million. All 5 schemes experienced unit value growth during the year under review. Umoja fund had the largest NAV/unit growth of approximately 14.4%, followed by Liquid, Watoto, Wekeza and Jikimu Funds at 13.8%, 13.3%, 8.5% and 2.9%, respectively.

Umoja fund, an Equity/debt fund, outperformed Liquid Fund, an Income/debt fund following good performance observed in the stock market during the year.

Table 4: Open Ended Collective Investment Scheme

S/N	Scheme	Scheme size as at 30th June 2018 (Millions)	Scheme size as 30th June 2017 (Millions)	NAV per unit as at 30th June 2018	NAV per unit as at 30th June 2017	NAV Growth for the period (%)	NAV per Unit Growth for the period (%)
1	Umoja Fund	228,729.16	205,586.03	584	510.84	11.26	14.41
2	Wekeza Maisha	1,273.55	3,794.20	358	329.65	-66.43	8.47
3	Jikimu Fund	21,951.44	22,982.58	130	126.21	-4.49	2.87
4	Watoto Fund	3,307.86	3,429.76	333	293.84	-3.55	13.25
5	Liquid Fund	29,633.95	12,467.10	190	167.28	137.70	13.79

Source UTT AMIS

6.4.2. Closed Ended Investment Scheme

During the period under review there were two closed Collective Investment Schemes namely; National Investment Company Limited (NICOL) and TCCIA Investment Company Ltd (TICL).

6.4.2.1 National Investment Company Limited (NICOL)

NICOL was relisted on the DSE on 6th June 2018 whereby 69,165,170 ordinary shares were listed at a price of TZS 300 per share. This transaction has marked another milestone in the development of capital markets in Tanzania as NICOL became the first company to be delisted and thereafter relisted on the DSE. Trading under the ticker symbol NICO, the company stock traded on its first re-launch day at TZS 300 and closed the day at the same value. At the end of 2017, the company declared dividends for the first time, paying TZS 25 per share. It should be recalled that, NICOL failed to comply with the Continuous Listing Obligations as it did not publish its audited financial statements for the years 2008 to 2010 and further failed to comply with directives from CMSA to remedy the situation and other corporate governance issues. As a result in June 2011, the DSE delisted NICOL and suspended trading of its shares on the Exchange.

After relisting of the NICOL shares at the DSE on 6th June 2018, trading of the shares at the bourse continued successfully. During the period ended 30th June, 2018, the market experienced large number of investors seeking to exit from mid-June to July, 2018 and this was attributed to investors being locked in since July 2011 the period the company was delisted. After mid-July, 2018 investors' confidence increased which contributed to the appreciation of the share price at the bourse and hence closed at 310 equal to 3.33 percent increase from the relisting price.

6.4.2.2. TCCIA Investment Company Ltd (TICL)

Following the listing of TCCIA Investment Plc at the Dar es Salaam Stock Exchange in March, 2018, the performance of the share price has shown some improvement, reaching at TZS 450 per share the price that has existed up to the end of June 2018. The increase was equal to 12.5 percent from the IPO price of TZS 400. The performance is largely attributed to TCCIA's investments in shares listed at the DSE.

6.5. PERFORMANCE OF OTHER FUNDS UNDER MANAGEMENT

The total assets under management for the Fund Managers category continued to maintain an upward trajectory in 2017/18. Total assets under management were TZS 146.40 billion as at 30th June 2018, a 17.6% increase as compared to TZS 124.41 billion as at 30th June 2017. The funds placed with Fund Managers by private clients constituted 48.68% of the total funds under management whereas the funds placed by pension funds and other institutional investors were 31.74% and 19.59% respectively. The funds were diversified in several asset classes with TZS 75.06 billion placed in cash, deposits and money market instruments, TZS 48.31 billion allocated in real estate, TZS 16.02 billion in Treasury bonds, TZS 1.69 billion in Treasury bills and the remainder in listed equities.

6.6. MONITORING OF DEALERS

During the period under review, all brokers continued to comply with regulatory requirements as there were no material acts of violations which could warrant suspension of license or revoking of license. CMSA conducted both offsite and onsite monitoring of activities of the licensed dealing members to ensure that there is full compliance with the requirements of Capital Markets legislation in Tanzania.

Generally, performance of the brokers was satisfactory driven by the improvement in brokers' commission, which form major part of the brokers' total revenues. Solomon Securities, EA Capital, Zan Securities, Orbit Securities, Optima Corporate and Vertex International Securities made profit whereas TIB Rasilimali and Core Securities made losses in a decreasing rate. The good performance of brokers was mainly attributed to increase in listed companies and securities transactions thereof. Secondary market trading for both equities and bonds increased at the Dar es Salaam Stock Exchange driven by the Authority's efforts to enhance liquidity performance at the market. Two new Licensed Dealing Members (LDMs) started their operations during the year 2017/2018.

6.7. SURVEILLANCE OF DSE TRADING AND CSD OPERATIONS

CMSA continued to monitor the activities of the Dar es Salaam Stock Exchange during the year ended 30 June 2018. Offsite monitoring of trading equities and bonds during the year under review was done on a daily basis. No misconduct or manipulations were detected during daily surveillance of trading activities at the DSE's Automated Trading System and Central Depository System.

7.0. STRATEGIC INITIATIVES AND ACTIVITIES CARRIED OUT DURING THE YEAR

7.1. Improving CMSA's Service Delivery

7.1.1. Employment of Personnel to Fill Vacant Positions

The approval to obtain employment permits from President's Office Public Service Management and Good Governance to fill vacant positions was obtained during the period under review. The recruitment process to fill the vacant positions was done through the Public Service Recruitment Secretariat.

7.1.2. Training and Capacity Building

With a view to facilitating capacity building for staff and members of the Authority, training programmes were conducted in line with the approved Training Program during the year under review including the following;

i) Capacity Building for Commodity Exchange

CMSA Technical Staff were exposed for various supervisory tools trainings including supervisory of commodities market.

ii) Attendance to the Anti-Money Laundering and Countering the Financing of Terrorism in the Greater Horn of Africa

The Capital Markets and Securities Authority (CMSA) was represented in the Anti-Money Laundering and Countering the Financing of Terrorism Course for Regulators Officials that was held from 05th to 09th February 2018 at Vipingo Ridge, Mombasa, Kenya. The course was fully sponsored by the European Commission, Civil Pol Conseil (Consultants) and the AML/CFT Project in the Greater Horn of Africa.

The course intended to impart knowledge of the participant on the AML/CFT supervisory requirements and undertaking of RBS in connection with AML/CFT supervision.

7.1.3. CMSA Office Building Project

In line with the government directive to shift administration to Dodoma, during the year under review, CMSA liaised with Director of Dodoma City Council in order to obtain a plot for the CMSA office building and secured a liaison office space at fifth Floor PSPF Dodoma Plaza, after signing an agreement with the landlord PSPF.

7.2. CMSA Financial Sustainability

7.2.1 Advocating for Market Related Revenue:

In general revenue collection improved as compared to the previous Financial Year 2016/2017 which was TZS 3,546.9 million. The market related revenue generated during the period amounted to TZS 4,029.3 million which is above the budgeted amount of TZS

4,023.7 million, resulting to favorable variance of TZS 5.5 million. The variance resulted from the increase in application for listing on the DSE. Details on amounts and trends of market related revenue generation are included in the financial reports for the period under review.

7.2.2 Donor Funding.

CMSA obtained support from the World Bank under Private Sector Competitiveness Project. In addition funding was also secured from FSD Africa (FSDA) to support the rolling out of CMSA/CISI Certification activities under National Financial Inclusion Framework. Further funding was secured from the United Nations Capital Development Fund (UNCDF) to support activities related to the development of Municipal Bonds.

7.3. Implementation of key legal Developments

7.3.1. Enactment of the New Capital Markets Act

During the financial year 2017/2018 the major focus was to develop the new Capital Markets Act that complies with the International Organizations of Securities Commissions (IOSCO) standards for Regulation of financial markets infrastructures (FMIs). The objective was among others, to include provisions for establishment and regulations of Central Securities Depositories (CSD's), Central Counter Parties (CCPs), Securities Settlements Systems (SSSs) and Trade Repositories (TRs). It was also intended to include provisions to domesticate the EAC directives in terms of inclusion of provisions that apply the EAC directives in Tanzania.

Technical Assistance was sought from the World Bank's Private Sector Competitiveness Project (PSCP) for an extension of the ongoing M-Akiba project for the Consultants to assist in drafting parts of the Capital Markets Bill related to CSDs and clearing houses.

7.3.2. Developing Regulations for New Products and Members

Following the decision to focus on the new Capital Markets Act, the plan for development of regulations to address new products and members planned for the FY 2017/2018, was postponed to the next financial year.

The promulgation of Regulations on Direct Access to Financial Markets (M-Akiba) was dependent upon completion of the consultancy services on M-Akiba Project that received a no objection in December, 2017. However, the consultancy did not materialize because the PSCP project ended in June 2018 before finalization. It was resolved to postpone both the M-Akiba project and the new Act with a view to undertaking them internally in the next financial year.

During the year under review, the Board resolved to internally undertake the bulk of work on the developing regulations for new products and members as well as the new Capital Markets Act simultaneously with the transposition of the EAC Council directives into the laws. The EAC issued Directives on Securitization and REITS that formed the basis for promulgation of the relevant regulations.

7.4. Enforcement Actions

During the year under review, two securities dealers' licenses were suspended on 27th September, 2017 to pave way for thorough investigation to be carried out with respect to suspicious transactions relating to trading of securities on the stock exchange. The two companies conceded to the misconduct and agreed to pay fines. The suspensions were thereafter withdrawn upon payment of the relevant penalties.

7.5. Licensing of Market Intermediaries

Pre-licensing inspections were conducted to six new applicants and licences were eventually granted to Central Securities Depository & Registry Company Limited; Commodity Dealer's license and its representative to Solomon Commodities Limited; Custodian of Securities to NMB Bank Plc; Investment Advisers (Fund Management) to Stanlib (T) Limited; Nominated Advisors' License and its representatives to Mekonsult, Faida Securities Limited and Orbit Securities Limited.

A number of licenses for various market intermediaries were also renewed during the year under including [12 brokers, 5 custodians, 2 NOMADS, 6 bonds traders, 16 Investment Advisers and 8 Funds Managers].

Stanlib (T) Limited which was granted an Investment Advisers License (Fund Management) category withdrew their license and officially informed CMSA.

7.6. Regional and International Cooperation

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

- i. The 34th ESAAMLG Task Force of Senior Officials meeting held on the 6th - 7th September, 2017 in Zanzibar, Tanzania. The meeting was preceded by the various committees meetings held between 2nd - 5th September, 2017 that were later followed by the 17th ESAAMLG Council of ministers Meeting held on the 8th September, 2017.

- ii. The main objective of the meeting was compliance and post evaluation process to promote implementation of the FAFT Standards where Tanzania reported to have outstanding issues that were being worked at. Among the issues were submission of proof of maintenance of MLA statistics on extradition requests received, granted and the time taken to process the requests and the proof of regulatory framework for freezing / confiscation of funds used for terrorist financing, accessing the frozen funds for expenses and other purposes and for the protection of rights of bona fide third parties.
- iii. Attendance of the Growth and Emerging Markets Committee (GEM) of the IOSCO Annual Conference held from 20th to 21st September in Colombo Sri Lanka. The objective of the attendance of the meeting was to enable CMSA to keep abreast of global capital markets developments and gain from the experience of other IOSCO members.
- iv. Coverage of the meeting included Committee meetings deliberating on different market issues, country reports presentations, seminars and panel discussions covering different topics, bi-annual elections and the Annual IOSCO General Meeting
- v. CMSA hosted and provided secretarial services to the 46th EASRA meeting which was held in Arusha from 11th to 13th December 2017.
- vi. Among the resolutions of the meeting was approval of a sample collaboration agreement with the Communication Regulators and a check lists on licensing and public offers of securities intended to inform the market the basic submission requirements for their application to the authorities.
- vii. The 35th ESAAMLG Task Force of Senior official meeting held on the 8th - 13th April, 2018 at the Arusha International Conference Centre in Arusha Tanzania.
- viii. During the meeting, the Technical Assistance and Training Coordination forum reviewed previous prioritized training needs and agreed on a new list of priority training needs as AML/CFT Risk Based Supervision, Regulation/Supervision of crypto currency; Analyst capacity building and financial investigation training. They also noted that some training programs on the above mentioned topics had already been arranged and would be provided in the course of 2018 to member countries.
- ix. The Working Group on Risk, Compliance and Financial Inclusion took note of the key deliverables of the approved two year work programme (2016/2018) on conducting capacity building workshops on risk-based supervision for the non-banking sectors including the Insurance, Securities, Digital Financial Services and Money Value Transfer Services.

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

IOSCO Self-Assessment in compliance with IOSCO's objectives and principles of securities market regulations was carried out by responding to specific questions in each principle. The IOSCO's on-line Self-Assessment Tool Kit was used. The self-assessment was based on the current capital markets laws. The responses were submitted to IOSCO and the results were received indicating that the capital market legal and institutional framework is fully compliant with the 27 principles out of 37, partially compliant with 1 principle, broadly compliant with 1 principle and not compliant with 7 principles.

7.8. Making Appearance in Courts of Law to Represent CMSA

Appearance was made before the Fair Competition Commission (FCC) on 13th July, 2017 in relation to the matter of the Acquisition of Rabo Bank's shares in NMB by Arise Ltd.

It was expected that after obtaining all relevant government approvals, NMB would apply to CMSA for approval of the transactions in compliance with the CMS (Substantial Acquisitions, Mergers and Take overs) Regulations, 2006.

CMSA was also invited to make written representation to FCC in the matter of acquisition of Core Securities Limited by Exim Bank. The representations were duly made on behalf of the Authority in support of the acquisition. FCC granted its approval and Core Securities was directed to ensure that appropriate procedures for changing the shareholding structure of the company are adhered to.

In that respect CMSA will follow up on Core Securities Limited for submission of the report of the changes of the shareholding status of the company to update the records at CMSA.

7.9. Strengthening Market Intermediary Environment

7.9.1. Compliance with New Capital Adequacy Requirements

In ensuring that all licensed brokers attain the minimum capital requirements, CMSA continued to enforce compliance with the minimum capital requirements adopted by the EAC Partner states. All Licensed Dealing Members (LDMS) with the exception of 6 had shareholders' funds greater than the prescribed minimum capital requirements. The LDMS whose capitals were below the minimum capital requirements are implementing their respective capital build up plans, which were submitted and approved by the Authority.

7.9.2. Development of Supervisory Tools

With a view to ensuring efficient and effective supervision and risk management, various supervisory tools were developed including Risk Based Supervision Manual and Crisis Management Policy and Plan. The RBS manual will facilitate focused supervision of market intermediaries on riskier areas in order to optimize the use of supervisory resources. The Crisis Management Policy and Plan facilitate the regulators' ability to identify, plan and manage disastrous situations in order to minimize the impact of the risks.

7.10. Resolution of Market Structure Weaknesses

7.10.1. Licensing of the Central Securities Depository Company

During the year under review the Central Securities Depository and Registry Company Limited (CSDR) was licensed to operate as a separate institution from the Dar es Salaam stock Exchange. This has enabled resolution of governance issues arising from an exchange running a CSD. In addition the establishment of the CSD outside the exchange has enabled compliance with the IOSCO Principles and Objectives on Financial Markets Infrastructures that requires the stock Exchange and CSD to operate as separate entities.

7.10.2. Preparation of Supervision Manuals for Commodities Market.

A draft supervision manual for commodities market was developed to guide on supervision of trading activities at the commodity exchanges. The manual will assist in among others, identifying market abuses, eligibility of trading members and also contains supervision tools such as model inspection programmes and checklist.

7.10.3. Set up Commodities Exchange Surveillance System

During the year under review, the supply, installation, and testing of the Tanzania Mercantile Exchange trading, clearing and settlement system including the commodities exchange surveillance systems was carried out in accordance with the procurement procedures. The complete package of the surveillance system of the commodities exchange will enable the regulator to monitor the trading activities at the commodity exchanges on real time.

7.10.4. Appointment of the Board of the TMX

Shareholders of the Tanzania Mercantile Exchange (TMX) elected permanent members of the Board of the exchange. The Board is comprised of eight members from the Government and public institutions. The Board is comprised of members from TIB Development Bank (Chairman), Ministry of Agriculture, Bank of Tanzania, Prime Minister's

Office, Ministry of Finance and Planning, Ministry of Industry, Trade and Investment, President Office Regional Administration and Local Government (TAMISEMI) and Public Service Pension Fund (PSPF). The new Board replaces the interim Board which had worked since the incorporation of the company in 2014.

7.11. Development of Capital Markets Policy

During the year under review, development of the Capital Markets Policy was initiated through a coordinated approach of the CMSA and the Ministry of Finance and Planning. Drafting of the Policy was completed pending finalization of the Policy Implementation Strategies which was expected to be finalized in the financial year 2018/19. The policy is designed to facilitate sustainable development of capital markets industry through measures that enable the creation and development of orderly, fair, efficient and sustainable capital markets that in turn fuels economic growth.

The policy identifies a number of challenges that need to be addressed including poor linkages between interrelated sectors such as capital markets, banking, insurance, and social security; deficiencies in the legal framework; weak market infrastructures; slow adaptation to technological advances; limited public financial literacy; a narrow base of products and services as well as limited government budget for development of capital markets sector.

7.12. Development of CMSA's Five Years Strategic Plan FY 2018/19 – FY 2022/23

One of the key milestones during the year under review was the development of the CMSA's Strategic Plan. The Strategic Plan is aligned to national policy direction of transforming Tanzania to semi-industrialized middle-income economy and seeks to complement the objectives of the Tanzania's Development Vision 2025, the Second National Five Years Development Plan (FYDP II) 2016/17-2020/21; the National Policy for Industrialization; and Sectoral Policies and Strategies. The strategic initiatives of the Plan are therefore devised in such a way as to underscore the importance of capital markets in the provision of long term finance for implementation of large scale developmental projects including infrastructure; conducting intensive public education and awareness programmes; improving the capacity of the CMSA to adequately deliver services; increased application of technology; strengthening the institutional and technical capability of market participants; ensuring a robust policy, legal and regulatory framework for capital markets and commodity exchanges; and enhancing and maintaining corporate image of the CMSA.

7.13. National Capital Markets Master Plan (NCMP)

Following the decision of the MOFP to develop the National Financial Sector Master Plan (NFSMP), it was resolved that preparation of the National capital Markets Master Plan (NCMP) be held pending finalization of the National Financial Sector Master Plan in order to draw experience and input NFSMP. The NFSMP was finalized and circulated to stakeholders including CMSA for comments and CMSA submitted its comments.

7.14. Deepening and Broadening the Market

Increasing number of products in the markets

7.14.1. Approval of Equity Products

During the year under review, four (4) equity applications were approved by the Authority. These were in respect of Maendeleo Bank Plc, National Investment Company limited (NICOL), TCCIA Investment Plc and TALGWU Microfinance Plc.

Regarding compliance by the licensees of TCRA, under section 26 of the Electronic and Postal Communication Act (EPOCA) 2010, the Court of Appeal's made a ruling in favour of Millicom International with regard to the shareholding dispute in TIGO. In that regard TIGO resumed its preparation for the finalization of the IPO and listing on the DSE which was expected to be completed in year 2018/19.

7.14.2. Approval of Corporate Bonds

During the period under review, two (2) applications for issuance of corporate bonds from Second tranche of the Medium Term Note (MTN) Programme of NMB Bank Plc and Tanzania Mortgage Refinance Company Limited (TMRC) were approved by the Authority as planned. CMSA has planned to increase more corporate bonds in the market in the FY 2018/19.

7.14.3. Increasing the Number of Market Professionals

CMSA in collaboration with the Chartered Institute for Securities and Investment (CISI) of London, United Kingdom, conducted one (1) Securities Industry Certification Course as planned. The program involved 70 participants compared to the plan of 40, representing a success rate of 175%. The program had three (3) modules namely: International Introduction to Securities and Investment; Global Securities; and Tanzania Regulatory Assessment.

The CMSA will continue to collaborate with the CISI in conducting certification courses to the Capital Markets Players in Tanzania in the FY 2018/19, where two certification courses are expected to be conducted.

7.15. Improving Financial Inclusion and Literacy

7.15.1. Develop Capital Markets and Commodity Exchange Financial Inclusion Framework 2018 - 2022

CMSA developed the securities' industry financial inclusion framework detailing the main actions and strategic initiatives and also participated in the preparation and formulation of the new National Financial Inclusion Framework 2018 – 2022 (NFIF2). The CMSA's financial inclusion framework is intended to implement key priority activities in conformity with the NFIF2, CMSA strategic initiatives, National Financial Education Framework and the EAC Financial Education Strategy.

The focus of the NFIF2 is to advance the vision of NFIF1 so that “financial products and services meet the needs of individuals and businesses consistent with supporting livelihood improvement, household resilient and creation of jobs”. Given the remarkable progress the country has made in expanding the opportunities for people to access financial services, this framework puts thrust on addressability, usage, uptake and satisfaction of financial services as the phase of Tanzania's financial inclusion journey.

7.15.2. Public Education Awareness Presentations

As a strategy to enhance continued dissemination of capital markets awareness with a view to increasing participation, raising awareness and financial inclusion several public education programmes were conducted including the capital markets presentations to the National Defense College at Kunduchi Dar es Salaam 4th December 2017; to the university of Dar es Salaam Actuarial Science Students; to the Management and Senior Executives of the Vodacom (T) Plc on 17th January 2018; to entrepreneurs, miners, fishermen, youths, members of the Tanzania Deaf Development Organization (TADEDEO) conducted in Geita and Chato from 24th to 27th March 2018 respectively.

Presentations on capital market issues were also made to the University of Dar es Salaam Actuarial Science Students on 19th May 2018, to secondary school students from Kisarawe Junior Seminary on 2nd June 2018, to Students from Mwalimu Nyerere Academy on 27th June 2018 and to University of Dar es Salaam Law School students on 5th July 2018.

7.15.3. Participation in Exhibitions and Crowd pulling Events

CMSA participated in the Dar es Salaam International Trade Fair of 2018 from 28th June to 13th July 2018 as part of its obligation to conduct public awareness campaigns.

The exhibition was used as one of the platforms to disseminate awareness of products and services offered in the securities markets in order to increase awareness to retail investors and entrepreneurs. The exhibition was also used to enhance the Authority's public image and provide a mechanism to get closer to the public in order to get their views, comments and feedback regarding the operations and investors' concerns in the capital markets.

At the CMSA pavilion a total of 2,300 booklets were given out and the visitors were also given an opportunity to register comments and suggestions. It is estimated that more than 1,000 people were attended to by asking questions and collecting booklets.

7.15.4. Capital Markets Universities and Higher learning Institutions Challenge (CMUHLIC)

The Capital Markets Universities and Higher learning Institutions Challenge was conducted for the third year consecutively. The challenge which aims at enhancing the level of capital markets awareness and participation comprised of essay and quiz competition and was open to all undergraduate higher learning students in Tanzania mainland and Zanzibar. During the year under review, the challenge was launched on 22nd May 2018 and remained open for students' participation until 15th September 2018. A total of 15,004 students participated countrywide against a target of 7,500 students.

As a strategy to promote the challenge and orient the students on the procedures of registering for the competition, visits to the universities and higher learning institutions in Dar es Salaam region and other regions were conducted. The visits and presentations covered Zanzibar and 14 regions in the mainland including Dar es Salaam, Coast Region, Morogoro, Dodoma, Singida, Tabora, Mwanza, Mbeya, Njombe, Iringa, Tanga, Kilimanjaro, Arusha where 47 universities and higher learning institutions were visited and presentations made.

7.16. Improve CMSA Retail and Institutional Profile

7.16.1. Public Speaking Including Interviews on TV and Radio Coverage

Several press interviews were held and covered in the press during all major events including listing of new products, launching of the university Challenge; graduation ceremony for the Securities Industry Certification Course (CISI); launching of the capital markets charter and during study visits to 5 groups of students from various schools and colleges who visited CMSA on study visits.

In addition responses to a number of press enquiries and interviews were made from both local and international correspondents and were published in the print and electronic media outlets.

7.16.2. Launching of the CMSA's Clients Service Charter

The CMSA's Clients Service Charter was launched by the Deputy Minister for Finance on 28th February 2018 during a ceremony which also awarded certificates to the graduates of the Securities Industry Certification Course (CISI). Review of the Clients Service Charter will be conducted yearly incorporating stakeholders concerns and views.

7.17. Market Challenges

- i. Despite of continued efforts of conducting capital markets awareness campaigns to business community and the general public, the level of capital markets awareness and participation is relatively low. This situation impacts implementation of various capital markets development initiatives including issuance of new products;
- ii. Low incomes amongst majority Tanzanians which is aggravated by lack of saving culture, consequently leading to low level of participation in capital market investments and ultimately low local investor base;
- iii. Narrow active middle class investors that lead to limited market liquidity which is aggravated by buy and hold behaviour among institutional investors resulting to securities being priced significantly below the market's potential;
- iv. Foreign investors' domination in the capital markets resulting from absence of collective investments schemes, investments clubs and absence of strong market intermediaries who can serve as market makers;
- v. Delay in constituting the Capital markets Tribunal results in the absence of a dispute redress mechanism;
- vi. Limited market generated revenue to support capital markets development initiatives leading to a slow pace in growth of the industry. Consequently, there is significant reliance on donor funding for capital markets development projects;
- vii. The market is vulnerable to macroeconomic performance leading to decline in profitability of listed entities.

7.18. Future Outlook

In addressing the challenges and in talking the vision and mission of the capital markets, in the next financial year, CMSA's activities will include the following;

- i. Undertake initiatives that are aimed at developing the market, including increasing the breadth and depth of the market; enhancing the investor base and enhancing the capacity of market professionals;
- ii. Increase market liquidity through enhancing participation, usage and uptake of capital markets products and promoting new products for issuance to the market and restructuring the market to accommodate different categories of investors and issuers;
- iii. Continue to take measures aimed at enhancing the integrity of the market and investors' confidence, protection of investors' interests, development of new market platforms and distribution channels, increase in the number of products and market intermediaries;
- iv. Work with the Ministry of Finance and Planning in progressing the enactment of the New Capital Markets Act and review of its Regulations;
- v. Addressing the demand and supply side weaknesses in the market as well as efficient supervision and regulation of the securities industry and commodities exchanges to ensure sustainable market transparency and integrity;
- vi. 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 include operationalization of the Securities Tribunal in order to handle disputes in the securities industry;
- vii. Create a roadmap for achieving higher standards for market intermediaries so as to achieve stability in the capital markets and implement the framework for crisis management and risk based supervision;
- viii. Enhance public awareness programs to different audiences to improve literacy in capital markets and commodity exchange and implementation of financial inclusion framework 2018 – 2022 for the securities industry;
- ix. Formulate strategy to create an industry platform for enhanced institutional profile and wider capital markets participation so as to improve financial inclusion and literacy;
- x. Collaborate with the Ministry of Finance and Planning in progressing efforts to finalize the approval of the Capital Markets Policy thereby enable the completion of the preparation of the National Capital Markets Master Plan which aims at enabling the capital market to assume its rightful role of engine for economic growth of the country.

8.0. FINANCIAL REPORT

8.1. An Overview of the Financial Statements

Presented below are the Financial Statements of the CMSA for financial year 2017/2018. 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.

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.

Signed on behalf of the Board of Directors by;

A handwritten signature in blue ink, appearing to be 'J. J.', written over a horizontal line.

BOARD CHAIRMAN

20th December, 2018

DATE

A handwritten signature in blue ink, appearing to be 'A. B.', written over a horizontal line.

CHIEF EXECUTIVE OFFICER

20th December, 2018

DATE

DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30TH JUNE 2018



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 2017 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', is written above a horizontal line.

Position:

Head of Finance

NBAA Membership No: **T.ACPA 1756**

Date:

20th December, 2018

To: The Chairman of the Board,
Capital Markets and Securities Authority,
P O Box 75713,
DAR ES SALAAM.

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA) FOR THE YEAR ENDED 30TH JUNE, 2018

Introduction

I have audited the accompanying financial statements of Capital Markets and Securities Authority, which comprise the Statement of Financial Position as at 30th June, 2018 and the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies set out from page 15 to 45.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Capital Markets and Securities Authority as at 30th June, 2018, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Capital Markets and Securities Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Key Audit Matters (KAM)

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Capital Markets and Securities Authority procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.

A handwritten signature in black ink, appearing to read 'Mussa Juma Assad', written over a horizontal line.

Prof. Mussa Juma Assad
Controller and Auditor General

National Audit Office
Dar es Salaam.

06th February, 2019



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 TZS'000	2017 TZS'000
REVENUE			
Revenue from non - exchange transactions			
Government Subvention	4	708,750	844,650
Amortization of Capital Grant	4	116,670	285,590
Other non-exchange transactions	4	259,101	146,209
Revenue from exchange transactions			
Fees	5	3,840,994	3,399,413
Other revenue	5	18,963	205,389
Net gain on foreign exchange	5	5,328	21,668
Gain on disposal of Property and Equipment	5	-	1,458
Total revenue		4,949,806	4,904,377
EXPENSES			
Staff costs	6	(2,498,120)	(2,572,623)
Administrative expenses	7	(1,242,951)	(1,210,867)
Market development, cooperation and training expenses	8	(653,171)	(594,397)
Depreciation and amortization	12,13,14	(199,942)	(210,081)
Other operating expenses	9	(202,593)	(234,293)
Total expenses		(4,796,777)	(4,822,261)
Surplus for the year		153,029	82,116

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018	2017
		TZS'000	TZS'000
Non-current assets			
Property and equipment	12	235,172	402,312
Intangible assets	13	1,814	3,919
Leasehold land	14	1,143,169	1,167,493
Receivable from non-exchange transactions	15	268,916	194,864
Total non-current assets		1,649,071	1,768,588
Current assets			
Receivable from exchange transactions	15	530,399	548,114
Receivable from non-exchange transactions	15	408,308	276,665
Prepayments	15	32,498	293,819
Financial assets at amortized costs	20	1,955,143	241,643
Cash and cash equivalents	16	2,339,971	4,217,417
Total current assets		5,266,319	5,577,658
TOTAL ASSETS		6,915,390	7,346,246
FUNDS AND RESERVES			
Special funds	10	4,251,012	4,225,799
Accumulated Surplus		1,585,338	2,276,466
Total funds and reserves		5,836,350	6,502,265
Non-current liabilities			
Capital grants	11	161,368	278,038
Current liabilities			
Payables and accrued charges	18	917,672	565,943
Total current liabilities		917,672	565,943
TOTAL EQUITY AND LIABILITIES		6,915,390	7,346,246

The financial statements on pages 14 to 45 were approved for issue by the Board of Directors on 20th December, 2018 and were signed on its behalf by:



BOARD CHAIRMAN



CHIEF EXECUTIVE OFFICER

DATE 20th December, 2018

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Special funds	Accumulated surplus	Total
	TZS'000	TZS'000	TZS'000
Year ended 30 June 2018			
At 1 July, 2017	4,225,799	2,276,466	6,502,265
Surplus for the year	-	153,029	153,029
Deposit for license	1,500	-	1,500
Transfer to Consolidated Fund	-	(602,514)	(602,514)
Transfer to Government*	-	(241,643)	(241,643)
Gain on Treasury Bills	18,963	-	18,963
Increase in Housing Loan Insurance & Administrative Funds	4,750	-	4,750
At 30 June, 2018	4,251,012	1,585,338	5,836,350

Year ended 30 June 2017			
At 1 July, 2016	4,217,196	2,582,635	6,799,831
Surplus for the year	-	82,116	82,116
Deposit for license	1,500	-	1,500
Transfer to Government	-	(388,285)	(388,285)
Interest income	7,103	-	7,103
At 30 June, 2017	4,225,799	2,276,466	6,502,265

Transfer of funds to the Government consolidated fund was made from the previous year reserves.

*The Amount relates to fixed deposit held at Twiga Bancorp prior to it being placed under receivership. Following government directives to convert the full amount into shares in Twiga Bancorp.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
	Notes	TZS'000	TZS'000
Operating activities			
Cash generated from operations	23	642,407	(374,037)
Interest received		-	200,185
Net cash flows from operating activities		642,407	(173,852)
Investing activities			
Purchase of plant and equipment	12	(3,658)	(138,480)
Capital grant received	11	-	135,982
Proceeds from disposal of property and equipment		-	1,547
Purchase of intangible assets	13	(2,714)	(3,894)
Investment in fixed deposits	20	-	(225,947)
Maturities of fixed deposits	20	-	3,428,811
Investment in Treasury Bills	20	(1,936,180)	
Net cash flows from investing activities		(1,942,552)	3,198,019
Financing activities			
Increase in special fund		25,213	8,604
Contribution to Government-Consolidated Fund		(602,514)	(388,285)
Net cash flow from financing activities		(577,301)	(379,681)
Net (decrease)/increase in cash and cash equivalents		(1,877,446)	2,644,486
Movement in cash and cash equivalents			
At 1 July, 2017		4,217,417	1,572,931
(Decrease)/increase		(1,877,446)	2,644,486
At 30 June, 2018	16	2,339,971	4,217,417

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2018

*Original budget is the same as approved budget that is why only one column budget has been included

Budget line item	Budget amount TZS' 000	Actual performance TZS' 000	Variance TZS' 000	Variance %
Revenue				
BoT subvention	708,750	708,750	-	0%
Other Income	4,023,748	3,656,751	366,997	9.12%
Total income	4,732,498	4,365,501	366,997	7.75%
Expenses				
Staff Costs	2,504,738	2,351,210	153,528	6.13%
Administrative expenses	1,357,932	1,209,586	148,346	10.92%
Market development, Cooperation & training	666,468	653,171	13,297	2.00%
Other operating expenses	203,360	165,719	37,641	18.51%
Total expenses	4,732,498	4,379,686	352,812	7.46%
Surplus as per actual cash collected		*(14,185)		

*All variances are attributed to accruals, amortization and depreciation as explained by reconciliation below

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2018

Budget reconciliation with the Statement of Financial Performance as at 30th June, 2018		
Surplus/deficit as per actual cash collected	TZS	(14,185)
ADD		
Other Income accrued		443,344
Amortization of capital grant		116,670
Net gain on foreign exchange		5,328
Gain on treasury bills		18,963
Total accrued revenue and amortization		570,120
LESS		
Depreciation and amortization		(199,942)
Accrued Expenses		(217,149)
Total accrued expenses & depreciation		(417,091)
Surplus for the year		153,029

2.0 NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2018

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 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.

NOTES (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation (Continued)

(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.

(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 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 upfront in the statement of financial performance.

NOTES (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (Continued)

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 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.

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 recognized 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.

NOTES (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

NOTES (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Assets (Continued)

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.

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-organization, 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 recognized 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.

NOTES (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(Continued) (d) Financial Assets

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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized 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.

(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.

NOTES (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 revalued amount 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: -

(h) Property and Equipment

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.

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

NOTES (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leasehold Land (Continued)

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.

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.

NOTES (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Intangible Assets (Continued)

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 favor 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.

(k) Employees Benefits

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.

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.

NOTES (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employees Benefits (Continued)

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.

(l) 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.

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.

(m) 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.

(n) Comparatives

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

NOTES (Continued)

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.

NOTES (Continued)

4	REVENUE FROM NON - EXCHANGE TRANSACTIONS	2018	2017
		TZS '000	TZS '000
	Government subvention		
	Ministry of Finance	-	169,650
	Bank of Tanzania	708,750	675,000
		708,750	844,650
	Grant income		
	Utilization of Capital grants	116,670	285,590
	Other non-exchange transactions		
	Market Development Levy	219,164	118,634
	Fine, Penalty and Miscellaneous receipt	39,937	27,575
		259,101	146,209
		1,084,521	1,276,449

5	REVENUE FROM EXCHANGE TRANSACTIONS		
	Fees		
	Transaction fees	1,406,309	1,193,981
	License Fees	404,750	650,415
	Prospectus Evaluation Fees	1,898,973	1,451,175
	Consultancy /Training Fees	130,962	103,842
		3,840,994	3,399,413
	Other income		
	Discount gains on Treasury Bills	18,963	-
	Interest on Fixed Deposits	-	205,389
		3,859,957	3,604,802
	**Net gain on foreign exchange	5,328	21,668

**Net gain on foreign exchange emanates from revaluation of USD 31,434 bank balance maintained at the National Bank of Commerce Limited.

Gain on disposal of Property and Equipment

*Gain on disposal of Property and Equipment	-	1,458
*There has been no disposal during the year.		

NOTES (Continued)

6	STAFF COSTS	2018	2017
		TZS '000	TZS '000
	Personnel emoluments	2,010,811	2,080,902
	Pension contributions	210,207	243,224
	Staff medical expenses	102,622	99,530
	Auxiliary staff uniforms	4,236	1,824
	Leave passage	137,816	138,825
	Recruitment expenses	25,382	1,905
	Workers Compensation Contribution Expenses	7,046	6,413
		2,498,120	2,572,623

7	ADMINISTRATIVE EXPENSES		
	Office Refreshment and Cleaning	7,925	18,322
	Advertising Expenses	9,591	9,516
	Office Rent	506,532	450,339
	Printing and Stationery	29,187	34,632
	Staff Furniture	15,328	30,656
	Telephones, Telegrams and Postage	59,389	102,048
	Electricity and Water	68,819	73,186
	Business Promotion	23,345	40,211
	Office Equip. Maintenance & Repair	76,278	23,891
	Motor Vehicle Maintenance & Repair	51,959	52,814
	Membership Subscriptions	43,855	3,999
	Bank Charges	7,344	6,364
	Security Expenses	10,620	10,065
	Miscellaneous Expenses	3,080	17,886
	Insurance	18,661	28,914
	Fuel & Other Transport Expenses	125,840	142,094
	Library Acquisitions	14,565	17,590
	Tender Board Expenses	3,700	5,850
	TMX founding costs	166,933	142,490
		1,242,951	1,210,867

NOTES (Continued)

8	MARKET DEVELOPMENT, COOPERATION AND TRAINING	2018 TZS '000	2017 TZS '000
	IOSCO & Its Committees Expenses	62,423	88,154
	Capacity Building & Training	247,102	288,336
	Public Education Program	157,599	83,604
	Regional cooperation Expenses	98,137	90,710
	FSP Local contributions	18,244	8,461
	Listing & Prospectus Evaluation Expenses	9,080	6,315
	Regulatory Framework Review & Development	60,586	28,817
		653,171	594,397

9	OTHER EXPENSES		
	Audit Fees and Expenses	37,966	44,720
	Directors Fees	96,000	97,721
	Board Expenses	68,627	91,852
		202,593	234,293

10	SPECIAL FUND		
	Investors' protection fund	20,850	19,264
	Car loan revolving fund	256,378	255,233
	Office building fund	3,677,282	3,660,855
	Housing loan fund	252,637	251,508
	Administrative costs fund - Staff housing loan	11,647	10,053
	Insurance fund (Staff housing loan)	32,218	28,886
		4,251,012	4,225,799

The increase in special funds arises from interest on investment of the funds and deposit license fee received during the year.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 CONTINUED
NOTES (Continued)

	FIDP II GRANT										Unutilized funds TZS' 000	Total TZS' 000	
	11 CAPITAL GRANT	Computer equipment TZS' 000	Computer software TZS' 000	Motor vehicles TZS' 000	Office Equipment TZS' 0000	Office Furniture TZS' 000	Subtotal TZS' 000						
Year ended 30 June 2018													
Cost													
At start of the year	526,211	345,405	309,827	16,243	59,301	1,256,986					170,855	1,427,841	
Additions	-	-	-	-	-	-					-	-	
At end of the year	526,211	345,405	309,827	16,243	59,301	1,256,986					170,855	1,427,841	
Accumulated amortization													
At start of the year	485,855	345,401	130,273	3,285	14,990	979,803					170,000	1,149,803	
Charge for the year	20,089	-	77,456	3,285	14,990	115,820					850	116,670	
At end of the year	505,944	345,401	207,729	6,570	29,980	1,095,623					170,850	1,266,473	
Net book amount	20,267	4	102,097	9,673	29,321	161,363					5	161,368	
Year ended 30 June 2017													
Cost													
At start and end of the year	465,772	345,405	309,827	-	-	1,121,004					170,855	1,291,859	
Additions	60,439	-	-	16,243	59,301	135,982					-	135,982	
At end of the year	526,211	345,405	309,827	16,243	59,301	1,256,986					170,855	1,427,841	
Accumulated amortization													
At start of year	465,766	345,401	53,047	-	-	864,213					-	864,213	
Charge for the year	20,089	-	77,227	3,285	14,990	115,590					170,000	285,590	
At end of the year	485,855	345,401	130,273	3,285	14,990	979,803					170,000	1,149,803	
Net book amount	40,356	4	179,553	12,958	44,311	277,183					855	278,038	

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 CONTINUED
NOTES (Continued)

12	PROPERTY AND EQUIPMENT	Office equipment TZS' 000	Furniture and fittings TZS' 000	Motor vehicles TZS' 000	Computer equipment TZS' 000	Total TZS' 000
	Year ended 30 June 2018					
	Cost					
	At start of the year	125,225	110,063	483,116	686,442	1,404,846
	Additions	3,446	-	-	212	3,658
	Disposals	-	-	-	-	-
	At end of the year	128,671	110,063	483,116	686,655	1,408,505
	Accumulated depreciation					
	At start of the year	109,812	70,885	188,072	633,766	1,002,535
	Depreciation on disposals	-	-	-	-	-
	Charge for the year	5,019	14,979	120,779	30,022	170,799
	At end of the year	114,831	85,864	308,851	663,788	1,173,334
	Net book value	13,840	24,199	174,265	22,867	235,171

	Year ended 30 June 2017					
	Cost					
	At start of the year	107,276	90,913	483,116	627,028	1,308,333
	Additions	18,485	59,556	-	60,439	138,480
	Disposals	(536)	(40,406)	-	(1,025)	(41,967)
	At end of the year	125,225	110,063	483,116	686,442	1,404,846
	Accumulated depreciation					
	At start of the year	105,875	90,823	67,487	601,353	865,538
	Depreciation on disposals	(529)	(40,366)	-	(984)	(41,879)
	Charge for the year	4,466	20,428	120,585	33,396	178,875
	At end of the year	109,812	70,885	188,072	633,765	1,002,534
	Net book value	15,413	39,178	295,044	52,677	402,312

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018 CONTINUED
NOTES (Continued)

13	INTANGIBLE ASSETS	Document Management System TZS' 000	Human Resource Management System TZS' 000	Website TZS' 000	Other Software TZS' 000	Total TZS' 000
	Year ended 30 June 2018					
	Cost					
	At start of the year	201,312	50,466	52,030	66,161	369,969
	Additions	-	-	-	2,714	2,714
	End of year	201,312	50,466	52,030	68,875	372,683
	Accumulated amortization					
	At start of the year	201,311	50,465	52,029	62,245	366,050
	Charge for the year	-	-	-	4,819	4,819
	End of the year	201,311	50,465	52,029	67,064	370,869
	Net book value	1	1	1	1,811	1,814
	Year ended 30 June 2017					
	Cost					
	At start of the year	201,312	50,466	52,030	62,267	366,075
	Additions	-	-	-	3,894	3,894
	End of year	201,312	50,466	52,030	66,161	369,969
	Accumulated amortization					
	At start of the year	201,311	50,465	52,029	55,362	359,167
	Charge for the year	-	-	-	6,883	6,883
	End of the year	201,311	50,465	52,029	62,245	366,050
	Net book value	1	1	1	3,916	3,919

NOTES (Continued)

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 TZS 2.1 Billion.

15	ACCOUNT RECEIVABLES	2018	2017
		TZS' 000	TZS' 000
	Non-current		
	Staff loans	251,659	177,607
	Office rent deposit	17,257	17,257
		268,916	194,864
	Current		
	Receivable from brokers	530,399	250,917
	Receivable from Ministry of Finance	-	297,197
	Sundry receivable	356,964	166,498
	Staff loans	51,344	110,167
		938,707	824,779
	Prepayments	32,498	293,819
	Total receivables and prepayments	1,240,121	1,313,462
	Classified as		
	Non-current		
	Receivables from non-exchange transactions	268,916	194,864
	Current		
	Receivables from exchange transactions	530,399	548,114
	Receivables from non-exchange transactions	408,308	276,665
	Prepayments	32,498	293,819
		1,240,121	1,313,462

NOTES (Continued)

16	CASH AND CASH EQUIVALENTS	2018 TZS' 000	2017 TZS' 000
	CRDB account	26,440	16,303
	Housing loan account	161,802	173,563
	NMB account	2,500	43,261
	CRDB-EGM Revolving a/c	26,508	27,011
	BoT Account TZS	1,512,627	3,332,844
	BoT Account USD	489,708	477,096
	NBC account and petty cash	120,387	147,339
		2,339,971	4,217,417

17	DEFERRED INCOME		
	At start of year	-	874,481
	Subvention from Government	-	1,786,394
	Transfer to income – Subvention (Note 4)	-	(2,660,875)
	At end of year	-	-

18	PAYABLES AND ACCRUED CHARGES		
	Accrual charges	176,516	783
	Provision for audit fees	36,873	35,000
	*FSDT payable	455,542	448,248
	Other payables	248,741	81,913
		917,672	565,943

*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.

NOTES (Continued)

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.

20 FINANCIAL ASSETS AT AMORTISED COSTS

Financial assets comprise fixed deposits with original maturity over 91 days and Treasury Bills with maturity of over 61 days:

A. Fixed Deposits:

	2018 TZS'000	2017 TZS'000
At start of the year	241,643	3,439,303
Transfer to Government	(241,643)	-
Additions	-	225,947
Maturities	-	(3,428,811)
Accrued interest	-	5,204
At the end of the year	-	241,643

B. Treasury Bills:

At start of the year	-	-
Additions	1,936,180	-
Maturities	-	-
Accrued Gain	18,963	-
At the end of the year	1,955,143	-
Total Financial Assets	1,955,143	241,643

NOTES (Continued)

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. CMSA have 14 key management personnel and the compensation paid or payable to key management for employee services is as follows;

	<u>2018</u> TZS'000	<u>2017</u> TZS'000
Salaries and other short term benefits	833,640	632,450
Defined contribution plan	125,046	75,469
	958,686	707,919

(b) Balances with key management

Outstanding balance of loans advanced to key management personnel was TZS 197.7 million (2017: TZS 81 million).

	<u>2018</u> TZS'000	<u>2017</u> TZS'000
At start of the year	81,000	217,329
Additions of borrowings	192,275	30,000
Repaid Loans	(75,603)	(166,219)
At the end of the year	197,672	81,000

(c) Director's fees

Director's fees of TZS 96.0 million (2017: TZS 97.7 million) were paid to non-executive directors of the Authority during the year.

NOTES (Continued)

22 FINANCIAL RISK MANAGEMENT, IPSAS 30

The authority's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates, liquidity risk and interest rates. The authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

This note presents information about the Authority's exposure to financial risks, the Authority's objectives, policies and processes for measuring and managing risk.

The Capital Market and Securities Authority has established audit and risk management committee made up of senior management which is responsible for developing and monitoring the authority's risk management policies which are established to identify and analyze the risks faced by the authority, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the authority's activities. Capital Market and Securities Authority has established audit and risk committee, which carries out regular and ad hoc reviews of risk management controls and procedures. The results are reported to senior management.

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. No collateral is held for any of the financial assets.

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.

NOTES (Continued)

22 FINANCIAL RISK MANAGEMENT, IPSAS 30

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 financial liabilities of the Authority are payable within 12 months of the year end.

The amounts disclosed below are the contractual undiscounted cash flows.

	Overdue	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	TZS	TZS	TZS	TZS	TZS	TZS
At 30 June 2018	'000	'000	'000	'000	'000	'000
Trade and other payables	-	704,283	-	-	-	704,283
Accrual charges	-	176,516	-	-	-	176,516
Audit fee payable	-	36,873	-	-	-	36,873
Total financial liabilities	-	917,672	-	-	-	917,672
						-
At 30 June 2017						-
Trade and other payables	-	530,161	-	-	-	530,161
Accrual charges	-	783	-	-	-	783
Audit fee payable	-	35,000	-	-	-	35,000
Total financial liabilities	-	565,944	-	-	-	565,944

NOTES (Continued)
22 FINANCIAL RISK MANAGEMENT, IPSAS 30 (CONTINUED)
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 2018, 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 TZS 40 million (2017: TZS 43million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated financial assets and liabilities.

23 CASH GENERATED FROM OPERATIONS		
	2018	2017
	TZS '000	TZS '000
RECEIPTS		
BOT Subvention	708,750	675,000
Other income related receipts		
Transaction fees	1,240,917	1,193,981
License fees	335,750	650,415
Market development levy	86,185	118,634
Fines, penalty and miscellaneous receipts	39,936	27,575
Prospectus evaluation fees	1,823,001	1,451,175
Consultancy/Training fees	130,962	103,842
Receipts from receivables and other receipts	808,710	510,373
Total cash receipts	5,174,211	4,730,995
PAYMENTS		
Staff cost	(2,351,210)	(2,572,623)
Administrative expenses	(1,209,586)	(1,210,867)
Market development, cooperation and training	(653,171)	(594,397)
Other operating expenses	(165,719)	(234,293)
Settlement of payables and other payments	(152,118)	(492,852)
Total cash payment	(4,531,804)	(5,105,032)
Cash generated from operations	642,407	(374,037)

NOTES (Continued)

24	FINANCIAL INSTRUMENTS BY CATEGORY		
	Assets	2018	2017
		TZS'000	TZS'000
	Loans and receivables		
	Cash and cash equivalents	2,339,971	4,217,417
	Accounts receivables (excluding prepayments)	1,207,623	1,029,643
	Financial assets at amortized costs	1,955,143	241,643
		5,502,737	5,488,703

26	COMMITMENTS	2018	
		TZS' 000	2017
			TZS' 000
	Liabilitie		
	Liabilities at amortized costs		
	Payables and accrued charges	917,672	565,943
		917,672	565,943

25 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30th June, 2018 (2017: Nil).

26 COMMITMENTS

There were no Capital commitments as at 30 June 2018 (2017: Nil). There are no non-cancellable leases.

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. The financial statements were authorized for issue on 20 December 2018 by the Board of Directors of the Capital Market and Securities Authority.

9.0. APPENDICES

9.1. 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;
- (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.

9.2. 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 |

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 |

9.3. Principle Legislation

a) **The Capital Markets and Securities Act [PRINCIPAL LEGISLATION] Acts No.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.

9.4. 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.

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.

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.

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.

p) Capital Markets and Securities Authority (Electronic Trading) Guidelines 2015

These Guidelines sets out the condition and requirements for for persons wishing to offer securities services in Tanzania through the Mobile Phone, Internet or other electronic medium.

q) 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.

r) 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.

s) 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.

t) 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.

u) 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.

v) 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.

w) Capital Markets and Securities (Book building) Regulations

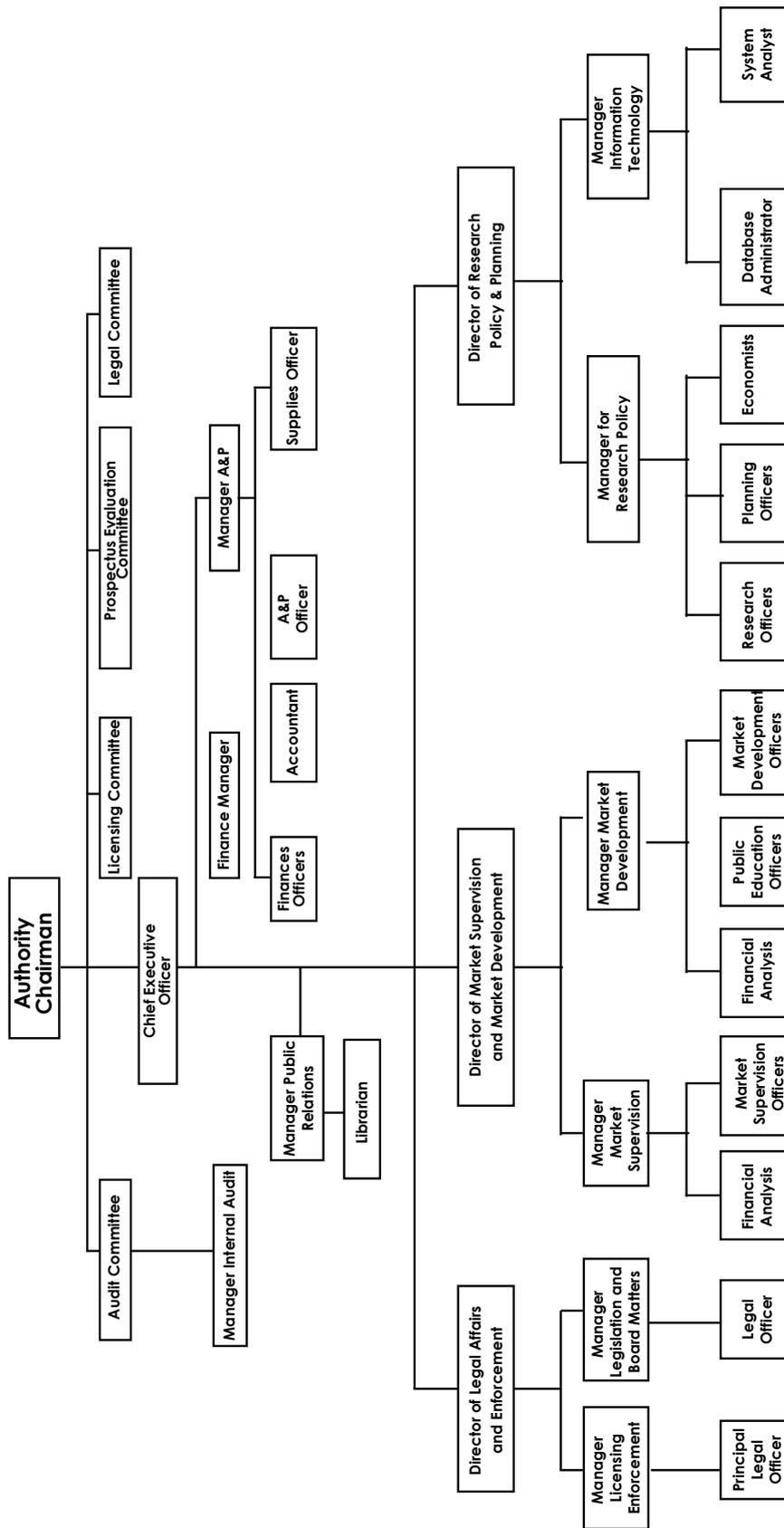
These regulations provide guidance on the process by which an issuer's underwriter attempts to determine at what price to offer an IPO based on demand from institutional investors. An underwriter "builds a book" by accepting orders from fund managers indicating the number of shares they desire and the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

9.5. 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.

9.6. CMSA Organisation Structure



9.7. CAPITAL MARKETS AND SECURITIES AUTHORITY

CMSA 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.

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.

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.

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

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

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

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

4.1 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

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

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

9.8. 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	Min
		Initial Listing Fee	Max	Max
		Additional Listing Fee	Rate	Rate
4.	Transaction Fees Bonds	Up to TZS 40 mn	Min	Min
		On any additional amount exceeding TZS 40 mn	Max	Max
	DSE		Rate	Rate
5.	Transaction Fees- Equities		Rate	Rate
		Up to TZS 10 mn	Min	Min
		Brokerage Commission	Max	Max
		DSE Transaction Fee	Rate	Rate
		Fidelity Fund Fee	Rate	Rate

ii) DSE Newly Introduced Fees

	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

ii) CSD Revised Fees

S/N	Category	Specific 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	
			MIMS	EGMS	MIMS	EGMS
3.	CDS Fee	Custody Fee	TZS 1,000	TZS 1,000	Replaced with a single standard transaction fee of TZS 1,000	
4.	CDS Fee	Consolidation Fee	TZS 1,000	TZS 1,000		
5.	CDS Fee	Reissue Fee	TZS 2,000	TZS 2,000		
6.	CSD Fee	Private Transfer Fee	TZS 1,000	TZS 1,000		
7.	CSD Fee	Mortgage and Release of Mortgage	TZS 10,000	TZS 10,000		
8.	CSD Fee	Change of LDM by CDS Account holder	TZS 2,000	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.	No Change	No Change
10.	Statements Fee	Statements in paper form	TZS 5,000 per account plus postage and any certification fees.		No Change	

iv) CSD Newly Introduced Fees

S/N	Category	Specific Fee	New Fee
1.	CSD Annual Membership Fee	Licensed Dealing Members	TZS 1,000,000
		Associate	TZS 1,000,000
		NOMAD	TZS 500,000
		Other Operators	TZS 1,000,000
		Clearing Banks	TZS 1,000,000
		Issuer-First Security	TZS 1,000,000
		Issuer – subsequent Securities	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.

9.9. Listed Companies:

The following were companies listed at the Dar es Salaam Stock Exchange as of 30th September 2018.

Domestic Listed Companies

Company	Date Listed	Number of issued Shares	Nature of Business
TOL Gases Ltd. (TOL)	15 th April, 1998	57,505,963	Production and distribution of industrial gases, welding equipment, medical gases, etc.
Tanzania Breweries Ltd. (TBL)	9 th 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 Ltd. (TATEPA)	17 th December, 1999	18,657,254	Growing, processing, blending, marketing and distribution of tea and instant.
Tanzania Cigarette Company (TCC)	16 th November, 2000	100,000,000	Manufacturing, marketing, distribution and sale of cigarettes.
Tanga Cement Public Ltd. (SIMBA/TCCL)	26 th September, 2002	63,671,045	Production, sale and marketing of cement.
Swissport Tanzania Ltd. (SWISS)	26 th September, 2003	36,000,000	Airports handling of passengers and cargo.
Tanzania Portland Cement Co. Ltd. (TWIGA/TPCC)	29 th September, 2006	179,923,100	Production, sale and marketing of cement.
DCB Commercial Bank. (DCB)	16 th September, 2008	67,827,897	Commercial bank
National Microfinance Bank Plc (NMB)	6 th November 2008	500,000,000	Commercial bank
CRDB Bank. (CRDB)	17 th June 2009	2,611,838,584	Commercial bank
Precision Air Services Plc (PAL)	21 st December 2011	160,469,800	Air transport services
Maendeleo Bank Plc	4 th November 2013	14,634,224	Commercial Bank
Swala Gas and Oil. (SWALA)	11 th August 2014	99,954,467	Mineral Exploration

Mkombozi Commercial Bank (MKCB)	29 th December 2014	20,615,272	Commercial Bank
Mwalimu Commercial Bank (MCB)	27 th November 2015	61,824,920	Commercial Bank
YETU Microfinance Plc. (YETU)	10 th March 2016	12,112,894	Microfinance PLC
MUCOBA Bank Plc	8 th June 2016	8,156,423	Commercial Bank
Dar es salaam Stock Exchange	12 th July 2016	23,824,000	Stock Exchange
Vodacom Tanzania PLC	15 th August 2017	2,240,000,300	Telecommunication Sector
TCCIA Investments Plc (TICL)	16 th March 2018	73,077,253	Investment Company
National Investments Plc (NICOL)	6 th June 2018	69,165,170	Investment Company

Cross-Listed Companies

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

9.10. 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
14	MAENDELEO	04/11/2013	500	8,000,000	4,000,000,000	4,600,000,000	115	2,523
15	SWALA OIL	11/08/2014	500	9,600,000	4,800,000,000	6,643,900,000	138	1,867
16	MKOMBOZI	29/12/2014	1,000	5,000,000	5,000,000,000	3,776,820,000	76	2,629
17	MWALIMU	27/11/2015	500	50,000,000	25,000,000,000	30,912,460,000	124	235,494
18	YETU MICRO FINANCE PLC	10/03/2016	500	25,180,000	12,590,606,500	3,111,690,100	25	14,273
19	MUCOBA BANK PLC	08/06/2016	250	20,000,000	5,000,000,000	2,039,105,750	41	1,691
20	DSE PLC	12/07/2016	500	15,000,000	7,500,000,000	35,768,796,000	477	3,149
21	VODACOM (T) LTD	15/08/2017	850	560,000,100.00	476,000,085,000	476,000,085,000	100	41,504
22	TCCIA Inv. PLC	16/03/2018	400	112,500,000	45,000,000,000	746,106,000	2	3,429
23	NICOL	06/06/2018	300	69,165,170	20,749,551,000	20,749,551,000	100	26,894

Outstanding Government Bonds as at 30 th June 2018							
Bond No.	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount (Face Value)
199-11.44-T18-A1	TZ1996100883	11.44	10 Year Bond	GOVERNMENT BOND	8/13/2008	8/13/2018	6,161,500,000
230-11.44-T19-A1	TZ1996100891	11.44	10 Year Bond	GOVERNMENT BOND	2/11/2009	2/11/2019	8,497,600,000
235-11.44-T20-A1	TZ1996100909	11.44	10 Year Bond	GOVERNMENT BOND	7/2/2009	7/2/2019	31,000,000,000
240-11.44-T21-A1	TZ1996100917	11.44	10 Year Bond	GOVERNMENT BOND	12/2/2009	12/2/2019	26,361,600,000
244-11.44-T22-A1	TZ1996100925	11.44	10 Year Bond	GOVERNMENT BOND	4/21/2010	4/22/2020	30,000,100,000
247-11.44-T23-A1	TZ1996100933	11.44	10 Year Bond	GOVERNMENT BOND	6/2/2010	6/2/2020	67,181,900,000
252-11.44-T24-A1	TZ1996100941	11.44	10 Year Bond	GOVERNMENT BOND	9/7/2010	9/7/2020	16,000,000,000
257-11.44-T25-A1	TZ1996100958	11.44	10 Year Bond	GOVERNMENT BOND	11/17/2010	11/18/2020	20,000,000,000
262-11.44-T26-A1	TZ1996100966	11.44	10 Year Bond	GOVERNMENT BOND	1/26/2011	1/27/2021	20,000,000,000
266-11.44-T27-A1	TZ1996100974	11.44	10 Year Bond	GOVERNMENT BOND	3/23/2011	3/24/2021	38,625,000,000
270-11.44-T28-A1	TZ1996100727	11.44	10 Year Bond	GOVERNMENT BOND	5/18/2011	5/19/2021	57,000,000,000
274-11.44-T29-A1	TZ1996100990	11.44	10 Year Bond	GOVERNMENT BOND	7/13/2011	7/13/2021	20,000,000,000
278-11.44-T30-A1	TZ1996101014	11.44	10 Year Bond	GOVERNMENT BOND	9/7/2011	9/8/2021	30,000,000,000
281-10.08-T33-A1	TZ1996101121	10.08	7 Year Bond	GOVERNMENT BOND	10/19/2011	10/20/2018	10,000,000,000
282-11.44-T31-A1	TZ1996101170	11.44	10 Year Bond	GOVERNMENT BOND	11/2/2011	11/3/2021	19,840,000,000
286-11.44-T32-A1	TZ1996101204	11.44	10 Year Bond	GOVERNMENT BOND	12/28/2011	12/28/2021	876,500,000
289-10.08-T35-A1	TZ1996101238	10.08	7 Year Bond	GOVERNMENT BOND	2/8/2012	2/8/2019	25,000,000,000
290-11.44-T33-A1	TZ1996101246	11.44	10 Year Bond	GOVERNMENT BOND	2/22/2012	2/22/2022	20,000,000,000
293-10.08-T36-A1	TZ1996101279	10.08	7 Year Bond	GOVERNMENT BOND	4/4/2012	4/4/2019	24,207,900,000
294-11.44-T34-A1	TZ1996102792	11.44	10 Year Bond	GOVERNMENT BOND	4/18/2012	4/18/2022	457,000,000
297-10.08-T37-A1	TZ1996101311	10.08	7 Year Bond	GOVERNMENT BOND	5/30/2012	5/30/2019	15,570,000,000
299-11.44-T35-A1	TZ1996101337	11.44	10 Year Bond	GOVERNMENT BOND	6/27/2012	6/27/2022	15,000,000,000

312-10.08-T38-A1	TZ1996101352	10.08	7 Year Bond	GOVERNMENT BOND	7/25/2012	7/25/2019	30,535,500,000
313-11.44-T43-A1	TZ1996101287	11.44	10 Year Bond	GOVERNMENT BOND	8/7/2012	8/7/2022	29,735,000,000
316-10.08-T39-A1	TZ1996101394	10.08	7 Year Bond	GOVERNMENT BOND	9/19/2012	9/19/2019	43,000,000,000
317-11.44-T44-A1	TZ1996102826	11.44	10 Year Bond	GOVERNMENT BOND	10/3/2012	10/3/2022	43,000,000,000
320-10.08-T40-A1	TZ1996102772	10.08	7 Year Bond	GOVERNMENT BOND	11/14/2012	11/14/2019	55,000,000,000
321-11.44-T45-A1	TZ1996102780	11.44	10 Year Bond	GOVERNMENT BOND	11/28/2012	11/28/2022	55,000,000,000
324-10.08-T41-A1	TZ1996101428	10.08	7 Year Bond	GOVERNMENT BOND	1/9/2013	1/9/2020	52,920,000,000
328-10.08-T42-A1	TZ1996101469	10.08	7 Year Bond	GOVERNMENT BOND	3/6/2013	3/6/2020	64,805,300,000
329-11.44-T47-A1	TZ1996101477	11.44	10 Year Bond	GOVERNMENT BOND	3/20/2013	3/20/2023	71,370,000,000
332-10.08-T43-A1	TZ1996101501	10.08	7 Year Bond	GOVERNMENT BOND	4/30/2013	4/30/2020	35,782,500,000
333-11.44-T48-A1	TZ1996101519	11.44	10 Year Bond	GOVERNMENT BOND	5/15/2013	5/15/2023	44,155,000,000
336-10.08-T44-A1	TZ1996101543	10.08	7 Year Bond	GOVERNMENT BOND	6/26/2013	6/26/2020	8,693,000,000
339-9.18-T47-A1	TZ1996101576	9.18	5 Year Bond	GOVERNMENT BOND	8/6/2013	8/7/2018	27,457,000,000
340-10.08-T45-A1	TZ1996101584	10.08	7 Year Bond	GOVERNMENT BOND	8/23/2013	8/22/2020	15,067,400,000
348-11.44-T50-A1	TZ1996101592	11.44	10 Year Bond	GOVERNMENT BOND	9/6/2013	9/5/2023	29,500,000,000
350-9.18-T48-A1	TZ1996101626	9.18	5 Year Bond	GOVERNMENT BOND	10/3/2013	10/2/2018	5,092,500,000
351-11.44-T51-A1	TZ1996101634	11.44	10 Year Bond	GOVERNMENT BOND	10/18/2013	10/18/2023	41,078,000,000
353-13.5-T1-A1	TZ1996101659	13.5	15 Year Bond	GOVERNMENT BOND	11/14/2013	11/14/2028	22,967,000,000
354-10.08-T46-A1	TZ1996101667	10.08	7 Year Bond	GOVERNMENT BOND	11/28/2013	11/28/2020	49,000,000,000
355-9.18-T49-A1	TZ1996101675	9.18	5 Year Bond	GOVERNMENT BOND	12/12/2013	12/12/2018	30,900,000,000
356-10.08-T47-A1	TZ1996101691	10.08	7 Year Bond	GOVERNMENT BOND	12/27/2013	12/27/2020	14,103,100,000
358-11.44-T52-A1	TZ1996101717	11.44	10 Year Bond	GOVERNMENT BOND	1/23/2014	1/23/2024	40,598,100,000
359-9.18-T50-A1	TZ1996101725	9.18	5 Year Bond	GOVERNMENT BOND	2/6/2014	2/6/2019	63,220,000,000
360-13.5-T2-A1	TZ1996101733	13.5	15 Year Bond	GOVERNMENT BOND	2/20/2014	2/20/2029	22,995,000,000
361-10.08-T48-A1	TZ1996101741	10.08	7 Year Bond	GOVERNMENT BOND	3/6/2014	3/6/2021	69,230,000,000

363-11.44-T53-A1	TZ1996101808	11.44	10 Year Bond	GOVERNMENT BOND	4/3/2014	4/3/2024	32,925,600,000
364-9.18-T51-A1	TZ1996101774	9.18	5 Year Bond	GOVERNMENT BOND	4/17/2014	4/17/2019	30,905,000,000
365-13.5-T3-A1	TZ1996101782	13.5	15 Year Bond	GOVERNMENT BOND	5/2/2014	5/2/2029	30,893,000,000
366-10.08-T49-A1	TZ1996101790	10.08	7 Year Bond	GOVERNMENT BOND	5/15/2014	5/15/2021	55,500,000,000
367-11.44-T54-A1	TZ1996102750	11.44	10 Year Bond	GOVERNMENT BOND	5/29/2014	5/29/2024	47,200,000,000
369-10.08-T50-A1	TZ1996101824	10.08	7 Year Bond	GOVERNMENT BOND	6/26/2014	6/26/2021	10,700,000,000
370-11.44-T1-A1	TZ1996101832	11.44	10 Year Bond	GOVERNMENT BOND	7/10/2014	7/10/2024	45,499,000,000
371-9.18-T52-A1	TZ1996101840	9.18	5 Year Bond	GOVERNMENT BOND	7/24/2014	7/24/2019	39,412,900,000
372-13.50-T4-A1	TZ1996101857	13.5	15 Year Bond	GOVERNMENT BOND	8/12/2014	8/7/2029	25,599,377,000
375-10.08-T51-A1	TZ1996101881	10.08	7 Year Bond	GOVERNMENT BOND	9/4/2014	9/4/2021	35,480,000,000
376-11.44-T1-A1	TZ1996101899	11.44	10 Year Bond	GOVERNMENT BOND	9/18/2014	9/18/2024	45,000,000,000
377-9.18-T1-A1	TZ1996101907	9.18	5 Year Bond	GOVERNMENT BOND	10/2/2014	10/2/2019	62,000,000,000
378-13.50-T1-A1	TZ1996101915	13.5	15 Year Bond	GOVERNMENT BOND	10/17/2014	10/17/2029	31,875,400,000
380-10.08-T1-A1	TZ1996101931	10.08	7 Year Bond	GOVERNMENT BOND	11/14/2014	11/14/2021	66,639,000,000
381-11.44-T1-A1	TZ1996101949	11.44	10 Year Bond	GOVERNMENT BOND	11/28/2014	11/28/2024	20,010,000,000
385-10.08-T1-A1	TZ1996101998	10.08	7 Year Bond	GOVERNMENT BOND	1/22/2015	1/22/2022	60,000,000,000
386-11.44-T1-A1	TZ1996102004	11.44	10 Year Bond	GOVERNMENT BOND	2/5/2015	2/5/2025	41,030,000,000
387-9.18-T1-A1	TZ1996102012	9.18	5 Year Bond	GOVERNMENT BOND	2/19/2015	2/19/2020	62,106,000,000
388-13.50-T1-A1	TZ1996102020	13.5	15 Year Bond	GOVERNMENT BOND	3/5/2015	3/5/2030	42,126,100,000
390-10.08-T1-A1	TZ1996102046	10.08	7 Year Bond	GOVERNMENT BOND	4/2/2015	4/2/2022	60,045,000,000
391-11.44-T1-A1	TZ1996102053	11.44	10 Year Bond	GOVERNMENT BOND	4/16/2015	4/15/2025	44,980,000,000
392-9.18-T1-A1	TZ1996102061	9.18	5 Year Bond	GOVERNMENT BOND	4/30/2015	4/30/2020	66,445,000,000
393-13.50-T1-A1	TZ1996102079	13.5	15 Year Bond	GOVERNMENT BOND	5/14/2015	5/14/2030	65,160,200,000
395-10.08-T1-A1	TZ1996102095	10.08	7 Year Bond	GOVERNMENT BOND	6/11/2015	6/11/2022	43,333,000,000
396-11.44-T1-A1	TZ1996102105	11.44	10 Year Bond	GOVERNMENT BOND	6/25/2015	6/25/2025	38,798,600,000

398-9.18-T1-A1	TZ1996102145	9.18	5 Year Bond	GOVERNMENT BOND	7/23/2015	7/23/2020	38,861,700,000
399-13.50-T1-A1	TZ1996102152	13.5	15 Year Bond	GOVERNMENT BOND	8/6/2015	8/6/2030	30,018,900,000
401-10.08-T1-A1	TZ1996102178	10.08	7 Year Bond	GOVERNMENT BOND	9/3/2015	9/3/2022	19,176,800,000
402-11.44-T1-A1	TZ1996102186	11.44	10 Year Bond	GOVERNMENT BOND	9/17/2015	9/17/2025	20,070,000,000
403-9.18-T1-A1	TZ1996102194	9.18	5 Year Bond	GOVERNMENT BOND	10/1/2015	10/1/2020	30,100,000,000
406-10.08-T1-A1	TZ1996102228	10.08	7 Year Bond	GOVERNMENT BOND	11/13/2015	11/12/2022	73,848,300,000
407-11.44-T1-A1	TZ1996102236	11.44	10 Year Bond	GOVERNMENT BOND	11/27/2015	11/26/2025	17,463,600,000
408-9.18-T1-A1	TZ1996102244	9.18	5 Year Bond	GOVERNMENT BOND	12/10/2015	12/10/2020	13,665,300,000
409-13.50-T1-A1	TZ1996102253	13.5	15 Year Bond	GOVERNMENT BOND	12/23/2015	12/23/2030	39,424,900,000
411-10.08-T1-A1	TZ1996102277	10.08	7 Year Bond	GOVERNMENT BOND	1/21/2016	1/21/2023	57,137,330,000
412-11.44-T1-A1	TZ1996102285	11.44	10 Year Bond	GOVERNMENT BOND	2/4/2016	2/4/2026	86,566,800,000
413-9.18-T1-A1	TZ1996102293	9.18	5 Year Bond	GOVERNMENT BOND	2/23/2016	2/17/2021	97,572,500,000
414-13.50-T1-A1	TZ1996102301	13.5	15 Year Bond	GOVERNMENT BOND	3/3/2016	3/4/2031	42,179,500,000
416-10.08-T1-A1	TZ1996102327	10.08	7 Year Bond	GOVERNMENT BOND	3/31/2016	3/31/2023	39,422,300,000
417-11.44-T1-A1	TZ1996102352	11.44	10 Year Bond	GOVERNMENT BOND	4/14/2016	4/14/2026	71,375,400,000
418-9.18-T1-A1	TZ1996102360	9.18	5 Year Bond	GOVERNMENT BOND	4/28/2016	4/28/2021	69,620,100,000
419-13.50-T1-A1	TZ1996102378	13.5	15 Year Bond	GOVERNMENT BOND	5/12/2016	5/12/2031	80,903,000,000
424-10.08-T1-A1	TZ1996102394	10.08	7 Year Bond	GOVERNMENT BOND	6/9/2016	6/9/2023	39,680,600,000
425-11.44-T1-A1	TZ1996102401	11.44	10 Year Bond	GOVERNMENT BOND	6/23/2016	6/23/2026	47,066,900,000
426-9.18-T1-A1	TZ1996102426	9.18	5 Year Bond	GOVERNMENT BOND	7/8/2016	7/6/2021	84,446,500,000
427-13.5-T1-A1	TZ1996102451	13.5	15 Year Bond	GOVERNMENT BOND	7/25/2016	7/21/2031	31,249,600,000
428-7.82-T1-A1	TZ1996102469	7.82	2 Year Bond	GOVERNMENT BOND	8/6/2016	8/4/2018	26,325,300,000
429-10.08-T1-A1	TZ1996102477	10.08	7 Year Bond	GOVERNMENT BOND	8/20/2016	8/18/2023	19,422,000,000
430-11.44-T1-A1	TZ1996102485	11.44	10 Year Bond	GOVERNMENT BOND	9/1/2016	9/1/2026	29,667,530,000
431-9.18-T1-A1	TZ1996102493	9.18	5 Year Bond	GOVERNMENT BOND	9/15/2016	9/15/2021	40,074,800,000

432-13.50-T1-A1	TZ1996102500	13.5	15 Year Bond	GOVERNMENT BOND	9/29/2016	9/29/2031	70,847,470,000
433-7.82-T1-A1	TZ1996102518	7.82	2 Year Bond	GOVERNMENT BOND	10/13/2016	10/13/2018	95,693,400,000
434-10.08-T1-A1	TZ1996102526	10.08	7 Year Bond	GOVERNMENT BOND	10/27/2016	10/27/2023	51,510,000,000
435-11.44-T1-A1	TZ1996102534	11.44	10 Year Bond	GOVERNMENT BOND	11/10/2016	11/10/2026	89,566,100,000
436-9.18-T1-A1	TZ1996102542	9.18	5 Year Bond	GOVERNMENT BOND	11/28/2016	11/24/2021	60,705,500,000
437-13.50-T1-A1	TZ1996102550	13.5	15 Year Bond	GOVERNMENT BOND	12/8/2016	8/12/2031	116,413,150,000
438-7.82-T1-A1	TZ1996102568	7.82	2 Year Bond	GOVERNMENT BOND	12/22/2016	12/22/2018	85,204,700,000
439-10.08-T1-A1	TZ1996102574	10.08	7 Year Bond	GOVERNMENT BOND	1/12/2017	1/5/2024	54,635,800,000
440-11.44-T1-A1	TZ1996102582	11.44	10 Year Bond	GOVERNMENT BOND	1/19/2017	1/19/2027	120,413,200,000
441-9.18-T1-A1	TZ1996102590	9.18	5 Year Bond	GOVERNMENT BOND	2/2/2017	2/2/2022	75,419,400,000
442-13.50-T1-A1	TZ1996102608	13.5	15 Year Bond	GOVERNMENT BOND	2/16/2017	2/16/2032	104,109,600,000
443-7.82-T1-A1	TZ1996102616	7.82	2 Year Bond	GOVERNMENT BOND	3/2/2017	3/2/2019	209,409,500,000
444-10.08-T1-A1	TZ1996102624	10.08	7 Year Bond	GOVERNMENT BOND	3/16/2017	3/16/2024	83,215,900,000
445-11.44-T1-A1	TZ1996102632	11.44	10 Year Bond	GOVERNMENT BOND	3/30/2017	3/30/2027	92,014,800,000
446-9.18-T1-A1	TZ1996102642	9.18	5 Year Bond	GOVERNMENT BOND	4/13/2017	4/13/2022	105,517,700,000
447-13.5-T1-A1	TZ1996102657	13.5	15 Year Bond	GOVERNMENT BOND	4/27/2017	4/27/2032	71,185,300,000
448-7.82-T1-A1	TZ1996102665	7.82	2 Year Bond	GOVERNMENT BOND	5/11/2017	5/11/2019	128,822,500,000
451-10.08-T1-A1	TZ1996102673	10.08	7 Year Bond	GOVERNMENT BOND	6/1/2017	5/25/2024	139,227,900,000
452-11.44-T1-A1	TZ1996102681	11.44	10 Year Bond	GOVERNMENT BOND	6/8/2017	6/8/2027	212,973,500,000
453-9.18-T1-A1	TZ1996102696	9.18	5 Year Bond	GOVERNMENT BOND	6/22/2017	6/22/2022	233,871,420,000
454-13.50-T1-A1	TZ1996102732	13.5	15 Year Bond	GOVERNMENT BOND	7/6/2017	7/6/2032	112,114,000,000
455-7.82-T1-A1	TZ1996102806	7.82	2 Year Bond	GOVERNMENT BOND	7/20/2017	7/20/2019	96,568,600,000
456-10.08-T1-A1	TZ1996102830	10.08	7 Year Bond	GOVERNMENT BOND	8/3/2017	8/3/2024	100,566,100,000
457-11.44-T315-A	TZ1996102848	11.44	10 Year Bond	GOVERNMENT BOND	8/17/2017	8/17/2027	68,016,500,000
458-9.18-T69-A1	TZ1996102855	9.18	5 Year Bond	GOVERNMENT BOND	8/30/2017	8/31/2022	58,839,100,000

459-13.50-T20-A1	TZ1996102863	13.5	15 Year Bond	GOVERNMENT BOND	9/14/2017	9/14/2032	128,410,910,000
460-7.82-T315-A1	TZ1996102871	7.82	2 Year Bond	GOVERNMENT BOND	9/27/2017	9/28/2019	84,142,000,000
461-10.08-T69-A1	TZ1996102889	10.08	7 Year Bond	GOVERNMENT BOND	10/12/2017	10/12/2024	100,407,100,000
462-11.44-T316-A	TZ1996102897	11.44	10 Year Bond	GOVERNMENT BOND	10/26/2017	10/26/2027	110,827,600,000
463-9.18-T70-A1	TZ1996102905	9.18	5 Year Bond	GOVERNMENT BOND	11/9/2017	11/9/2022	90,012,100,000
464-13.50-T21-A1	TZ1996102913	13.5	15 Year Bond	GOVERNMENT BOND	11/23/2017	11/23/2032	139,003,700,000
465-7.82-T316-A1	TZ1996102921	7.82	2 Year Bond	GOVERNMENT BOND	12/6/2017	12/7/2019	122,989,900,000
466-10.08-T70-A1	TZ1996102939	10.08	7 Year Bond	GOVERNMENT BOND	12/21/2017	12/21/2024	100,372,680,000
467-11.44-T317-A	TZ1996102947	11.44	10 Year Bond	GOVERNMENT BOND	1/3/2018	1/4/2028	126,393,700,000
468-9.18-T71-A1	TZ1996102954	9.18	5 Year Bond	GOVERNMENT BOND	1/18/2018	1/18/2023	132,845,300,000
469-13.50-T22-A1	TZ1996102962	13.5	15 Year Bond	GOVERNMENT BOND	2/1/2018	2/1/2033	182,375,300,000
470-7.82-T317-A1	TZ1996102988	7.82	2 Year Bond	GOVERNMENT BOND	2/14/2018	2/15/2020	84,382,100,000
471-10.08-T71-A1	TZ1996102996	10.08	7 Year Bond	GOVERNMENT BOND	2/28/2018	3/1/2025	150,402,200,000
472-11.44-T318-A	TZ1996103002	11.44	10 Year Bond	GOVERNMENT BOND	3/14/2018	3/15/2028	156,135,400,000
473-9.18-T72-A1	TZ1996103028	9.18	5 Year Bond	GOVERNMENT BOND	3/29/2018	3/29/2023	129,137,200,000
474-13.50-T23-A1	TZ1996103036	13.5	15 Year Bond	GOVERNMENT BOND	4/11/2018	4/12/2033	179,211,400,000
475-7.82-T1-A1	TZ1996103044	7.82	2 Year Bond	GOVERNMENT BOND	4/27/2018	4/27/2020	150,000,000,000
476-10.08-T72-A1	TZ1996103051	10.08	7 Year Bond	GOVERNMENT BOND	5/10/2018	5/10/2025	290,058,600,000
477-11.44-T319-A	TZ1996103069	11.44	10 Year Bond	GOVERNMENT BOND	5/24/2018	5/24/2028	78,445,100,000
478-9.18-T73-A1	TZ1996103085	9.18	5 Year Bond	GOVERNMENT BOND	6/7/2018	6/7/2023	120,090,000,000
479-13.50-T24-A1	TZ1996103093	13.5	15 Year Bond	GOVERNMENT BOND	6/21/2018	6/21/2033	99,319,800,000
Grand Total							9,107,809,567,000

9.12. Outstanding Corporate Bonds as at 30th June 2018

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
NMB-2017/20.T2	TZ1996102970	13.5	2 Year Bond	Corporate Bonds	1/31/2018	12/28/2020	23,396,000,000
PTA-FXT01/15/05	TZ1996102137	14.03	5 Year Bond	Corporate Bonds	05/07/2015	30/04/2020	2,600,000,000.00
STAN/T.2	TZ1996100289	11.44	10 Year Bond	Corporate Bonds	22/10/2010	22/10/2020	10,000,000,000.00
TMRC-18/23.T1	TZ1996103101	11.79	5 Year Bond	Corporate Bonds	6/19/2018	6/18/2023	12,521,500,000
Grand total							134,882,864,000

9.11. Performance of the Listed Companies

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	NET 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	151,709
	2016	294,928,463	3,539,140	228,981	183,993
2017*	294,928,463	3,952,040	161,440	103,911	
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	-
	2016	55,835,490	44,670	2,761	-
2017	57,505,963	46,000	2,171	-	

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)	-
	2016	18,657,254	12,130	(862)	-
	2017**	18,657,254	12,130	(2300)	-
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
	2016	100,000,000	1,150,000	68,669	60,000
2017	100,000,000	1,105,000	45,357	50,000	

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	8,242	5,094
	2016	63,671,045	101,870	4,262	5,094
	2017	63,671,045	86,590	(26,340)	-
	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		-	-	-	-
2016		-	-	-	-
2017		69,165,170	15,220	1,037.94	983.87

NATIONAL MICROFINANCE BANK	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
	2016	500,000,000	1,375,000	153,825	52,000
	2017	500,000,000	1,375,000	95,609	52,000
CRDB BANK PLC	2005	123,666,600	-	24,390	1,855
	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
	2016	2,611,838,584	652,960	128,978	43,208
	2017	2,611,838,584	417,890	36,212	13,059

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
	2016	36,000,000	196,200	15,232	12,187
	2017	36,000,000	126,000	11,934	5,967
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
	2016	179,923,100	412,020	39,838	60,257
	2017	179,923,100	295,070	57,459	52,174

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)	-
	2016	1,496,469,035		(69,649)	-
	2017	5,823,588,269	1,335,130	(134,295.88)	-
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
	2016	790,774,356	4,135,750	220,929	93,553
	2017	790,774,356	3,831,300	156,089	

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
	2016	59,895,000	590,565	29,970	11,692
	2017	72,473,950	821,120	91,351	
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	-
	2016	67,827,897	27,130	(2,967)	-
	2017	67,827,897	23,060	(6,049)	-

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
	2016	3,066,056,647	2,636,809	221,148	-
	2017	3,066,056,647	3,089,150	264,510	198,626
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)	-
	2016	160,469,800	75,420	555	-
	2017	160,469,800	75,420	(27,242)	-
"MAENDELEO BANK PLC (MBP)	2013	-			
	2014	-			
	2015	14,634,224	8,780	178	140.63
	2016	14,634,224	8,780	555	-
	2017	14,634,224	8,630	970	306
SWALA GAS AND OIL (SWALA)	2014				
	2015	99,954,467			
	2016	99,954,467	49,980	(1,052)	-
	2017	99,954,467	53,100	5,434	-
UCHUMI SUPERMARKET LTD	2014				-
	2015				-
	2016	364,959,616	21,898	(61,018)	-
	2017	364,959,616	29,832		-

MKOMBOZI COMM BANK	2014				
	2015	20,615,272			
	2016	20,615,272			
	2017	20,615,272	16,490	1,442	519
MWALIMU COMMERCIAL BANK LTD	2015	61,824,920			
	2016	61,824,920	30,910	(729.63)	-
	2017	61,824,920	30,910	(4,271)	-
YETU MICROFINANCE PLC	2015	-	-	-	-
	2016	12,112,894	7,270	401	-
	2017	12,112,894	7,270	1,300	373
MUCOBA BANK PLC	2016	8,156,423	3,260	162	-
	2017	8,156,423	3,260	315	139
DAR ES SALAAM STOCK EXCHANGE PLC (DSE)	2016	20,250,000	20,250	2,010	-
	2017	23,824,920	37,170	5,266	2,380
VODACOM (T) LTD	2018	2,240,000,300	1,792,000	170,240	12,740
TCCIA	2017	73,077,253	32,880	247	185

Notes:

* Financial year ended 31st March 2017

** Financial year ended 30th September 2017

The market capitalization indicated in the table above is as at 30th June, 2018.

9.13. 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.

9.13. Collective Investment Schemes

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
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.
Watumishi Housing REIT	WATUMISHIHOUSING 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.

9.13. Collective Investment Schemes

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
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.

9.14. Register of Licensees

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.	<p>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</p>
7.	<p>ZAN SECURITIES Head Office 1st Floor, Muzammil Centre, Malawi Road, PO Box 2138, Zanzibar, Tanzania</p> <p>Branch office: 2nd Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania</p>
8.	<p>EA CAPITAL LIMITED I.T. Plaza, 6th Floor, Ohio Street, P.O. Box 20650, Dar es Salaam. Email: ec@eacapital-tz.com</p>
9.	<p>OPTIMA CORPORATE FINANCE LIMITED Senga Road, Mikocheni, P.O. Box 4441, Dar es Salaam</p>
10.	<p>ARCH FINANCIAL & INVESTMENT ADVISORY LIMITED 2nd Floor, Wing C, NIC Life House Sokoine Drive/Ohio Street P.O. Box 38028 Dar es Salaam</p>
11.	<p>SMART STOCK BROKERS LIMITED 1st Floor, Masdo House, Samora Avenue, P.O. Box 105678, DAR ES SALAAM</p>
12.	<p>CRDB BANK PLC Azikiwe Street, P.O. Box 268, Dar es Salaam.</p>
CUSTODIAN OF SECURITIES	
1.	<p>STANDARD CHARTERED BANK International House Shaaban Robert Str. Garden Avenue P.O. Box 9011, Dar es Salaam</p>
2.	<p>CRDB BANK PLC Custodial Services Unit, 12th Floor, Golden Jubilee Towers, P. O. Box 268, Dar es Salaam, Tanzania</p>

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

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.

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
4.	CORE CAPITAL LIMITED Fourth Floor, Elite City Building P.O. Box 76800, Dar es Salaam Tel. 255 - 22 – 2123103 Fax. 255 - 22 - 2122562
5.	ERNST & YOUNG ADVISORY SERVICES Utalii House 36 Laibon Road, Oyster bay P.O. Box 2475, Dar es Salaam
6.	FTC CONSULTANTS LIMITED 2nd Floor, Osman Towers Zanaki Street P.O. Box 22731 Dar Es Salaam, Tanzania
7.	NATIONAL BANK OF COMMERCE LTD. Sokoine Drive & Azikiwe Street P.O. Box 1863, Dar es Salaam, Tanzania
8.	EQUITY FOR TANZANIA LTD. (EFTA) P.O. Box 1747 Moshi.
9.	CORNERSTONE PARTNERS LTD. Unit 217, Harbour View Tower Samora Avenue P. O. Box 9302 Dar es Salaam, Tanzania
10.	STANBIC BANK (T) LTD Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tanzania.

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</p> <p>Branch: 2nd Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania</p>
12.	<p>STANLIB TANZANIA LIMITED Maktaba Square, 4th Floor, Maktaba Street, P.O. Box 7495 Dar es Salaam c/o Rex Attorneys</p>
13.	<p>OMEGA CAPITAL LIMITED P.O. Box 23227 c/o CORE SECURITIES LIMITED, Elite City Building, Samora Avenue, P.O. Box 76800, Dar es Salaam.</p>
14.	<p>TANZANIA MORTGAGE REFINANCE COMPANY 15th Floor, Golden Jubilee Tower, P.O. Box 7539 DAR ES SALAAM</p>
15.	<p>M CAPITAL PARTNERS LIMITED M Capital Partners Limited, 8, Obama Drive, P.O. Box 96 DAR ES SALAAM</p>
16.	<p>SMART STOCK BROKERS LIMITED 1st Floor, Masdo House, Samora Avenue, P.O. Box 105678, DAR ES SALAAM</p>
17.	<p>EXIM BANK TANZANIA LIMITED P.O. Box 1431, DAR ES SALAAM.</p>
18.	<p>VERVET GLOBAL LIMITED Vervet Global Limited, 1st Floor, C&G Plaza, P.O. Box 75886, Dar es Salaam.</p>
FUND MANAGERS	
1.	<p>ORBIT SECURITIES LIMITED 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam</p>

2.	SOLOMON STOCK BROKERS LIMITED PPF House, Ground Floor Morogoro Rd./Samora Avenue P.O. Box 77049 Dar es Salaam
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.
	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

