

- his securities;
- “Block Certificate” means a single certificate issued by a Registrar of an Issuer representing a large number of securities for holders grouped together (in a fungible form).
- "Block Trade" means a single lot of any security Admitted on the List with a value exceeding TZS 1 billion which is sufficiently large to exceed the capacity of the market;
- “Bond Registrar” means the holder of the register for a bond who shall also be the Transfer Agent;
- “Book-entry” means the entries made on computer database, within the Central Depository System, to record the final legal ownership or change of ownership of securities;
- “Borrower” means a holder who has mortgaged securities held or to be held in the Central Depository System as collateral against a loan;
- “Business Day" means any day in the week that is not a Saturday or Sunday, or gazetted holiday, or announced by the Exchange in a general notice;
- “Capital” mean share capital including preference shares;
- "Central Securities Depository (CSD)" means the function within the DSE, or a subsidiary company of the DSE which holds the definitive and authentic record of securities in immobilised or dematerialised form, to enable book-entry transfer of securities;
- “Central Depository System or CDS” means the book-entry ledger system used by the CSD;
- “Constituent” means components of the indices;
- "CSD Members" means a member who is authorised by the Board to access the CDS for purposes of clearing, settlement, depository and registry operations;
- “Chairman” means the Chairman of the Board of the DSE;
- “Chief Executive” means the Chief Executive Officer of the DSE;
- “Clearing Bank” means a commercial bank designated by the DSE to settle transactions on behalf of LDMs and CSD Members;
- “Contract Note” means a note containing the details of a transaction concluded at the DSE as required by the DSE Rules;
- “Client Depository Account” means a record in ledger form describing the details of securities investments held by a client in the CSD of the DSE;
- “Client Reference Number” means an identification number designated for a client by an Authorised Central Depository System Operator;
- "Close" means the time at which the market is no longer available for

continuous trading;

"CMS" means Capital Markets and Securities Act;

"Committee" means a Committee set up by the Board dealing with the matters included in its terms of reference as the context requires;

"Connected Persons" means-

- (a) in the case of Members, the directors, shareholders, ADRs and first generation of family relatives of these parties;
- (b) in the case of Listed Issuers, the directors and first generation of family relatives of these parties;

"Board" means the governing organ of the DSE;

"CSD Receipt" means a non-negotiable document issued by the DSE at the request of a CSD account holder representing-

- (a) the deposit or purchase of securities;
- (b) a debit advice (covering sales or transfers) of securities;
- (c) as recorded in a CSD account on a given date;

"Custodian" means a legal person that acts as a custodian of securities, regulated by the CMSA, admitted as a CSD Member of the DSE;

"DATS" means the DSE Automated Trading System;

"DATS Trader" means a natural person permitted by the Exchange to exclusively trade on behalf of an LDM;

"Date of Default" means the date when the LDM or CSD Member has been declared to be in default pursuant to these Rules;

"Default Notice" means such notice as may be issued by the DSE announcing the declaration of default;

"Delivery versus Payment" means the settlement process defined in Part VII of these Rules;

"Deposit" means the delivery and transfer of securities by a client to CSD custody, through a CSD Member;

"DSE" means the Dar es Salaam Stock Exchange Public Limited Company, authorized by the Authority;

"Discretionary Account" means an account in which the client gives an LDM a discretion which may be general or specific as to the purchase or sale of securities including selection, timing and price to be paid or received;

"EAC" means the East African Community;

"Electronic Securities Service Provider" means any person approved by the Authority to offer securities services through an electronic platform;

"Enterprise Growth Market segment (EGMs)" means a market segment within DSE for securities-such as those of starter up, small and medium sized enterprises;

- “Exchange” means the DSE;
- Cap.212 “Financial Year” means the period covered by the Company’s financial statements prepared for the purposes of the Companies Act;
- Cap. 79 “Fidelity Fund” means the Fidelity Fund established by virtue of Section 83 of the Capital Markets and Securities Act;
- “Foreign Investor” has the same meaning as under the Capital Markets And Securities (Foreign Investors) Regulations 2003;
- “Fund” means a REIT or other collective investment scheme Admitted on the List;
- “Fungible” means all securities deposited at the CSD of the DSE that are freely interchangeable with another in satisfying an obligation;
- “Government” means the Government of the United Republic of Tanzania;
- “Group” means an Issuer and its subsidiaries;
- Cap.212 “Holding Company” has the same meaning given under section 126 of the Companies Act;
- “Institutional Investor” means a legal person conducting investment business.
- “Initial Public Offer (IPO)” means the initial issuance of securities to the public on the primary market with potential for listing and trading at the DSE;
- “Irregular Deals” means deals which could adversely affect equal access to information for all stock market players or the quality of the information supplied to investors;
- “Issuer” means a public company or other legal entity whose securities are listed at the DSE or are the subject of an application for listing or any entity with a potential for listing or trading;
- “Lender” means a party who accepts securities held in the CDS as collateral in respect of a loan, under the procedures laid down in these Rules of the CSD;
- “Licensed Dealing Member (LDM)” means persons licensed by the Authority to deal in securities and admitted to DSE membership by the Board;
- “LDM’s Connected Persons” means directors, shareholders, officers, ADRs and DATS Traders and their Connected Persons and Related Parties and other persons that an LDM's compliance officer may deem to be connected;
- “Limit Order” means an order which has a specified price when it is posted for execution;
- “List” means all the securities traded on the Dar es Salaam Stock Exchange PLC.

- “Listed” means Admitted on the List of the DSE (except where the context requires otherwise); “listing” being construed accordingly;
- “Listed Company” means a company, any part of the shares of which has been listed;
- “Listed Securities” means all the securities of that class that are listed;
- “Debt Securities” means interest bearing securities which do not have a share in the equity of the company;
- “Market Imbalance” means a situation in the Pre-open Market when the best bid is higher than the best offer;
- “Market Index” means a statistical measurement of the performance of a particular group of securities, using a clearly defined set of Rules;
- "Market Order" means an order which does not have a specified price when it is posted for execution. This type of order will be executed automatically at the best price obtainable and will have priority over limit order at the same price levels and assumes an initial price limit value normally based on the price most advantageous in the market. A Market Order trades through a range of prices starting at the best price in the market;
- “Market Official” means the Exchange official who manages the operations of the DSE in accordance with these Rules;
- "Main Investment Market segment (MIMs)" means the main market segment of DSE which is designed for larger and more established companies;
- “Member” means an authorised LDM, CSD Member, Registrar, Nominated Advisor who is approved by the Board;
- “Mobile Phones Network Operators (MNO)” means a company that provides services of wireless communications to end users. Also known as wireless service provider;
- “Mortgage of Securities” means the use of securities held at the CSD to guarantee performance by a borrower of a contract between borrower and lender;
- "Net Capital" shall be the greater of the amounts prescribed by the CMS (Accounting and Financial Requirements) Regulations, 1997 as may be modified by the Authority from time to time;
- “Net Turnover” means the amount derived from the sale of products and the provision of services falling within an undertaking’s ordinary activities after deduction of sales rebates and any taxes directly linked to turnover;
- “Netting” means a process by which gross, or trade-by-trade obligations between counterparties in a transaction are settled by a single transfer of the net amount of funds;

- “Nominated Advisor” shall have the same meaning given under the Capital Markets and Securities Act;
- "Non-Compliant Board" means a board for securities that do not meet these Rules;
- "Non-Dealing Member" means a Registrar, Nominated Advisor or CSD Member;
- "Normal Lot" means a standard number of shares for a specific security which can be traded on the market as may be determined by the Exchange;
- “Odd Lot” means any number of shares that is less than a Board Lot for a specific security;
- “Offer” means an order submitted to the DSE by an LDM to sell securities at a certain price, referring to a price which a seller will accept for his securities;
- "On Exchange" means a transaction in security Admitted on the List of the DSE concluded on DATS;
- “Opening Algorithm” means a calculation as set out in these Rules used at the time of opening the trading session to calculate an Opening Price for each security;
- "Opening Auction" means the process in DATS, by which the Opening Price is calculated;
- “Opening Price” means the reference price for each security at the start of continuous trading;
- “Order” means a bid or an offer submitted to DATS by an LDM to buy or sell securities;
- “Platform Host” means an electronic securities service provider authorized by DSE to offer securities services through MNOs;
- "Pre-Arranged Trades" means Block Trades where the buyers and sellers have been identified prior to execution on DATS;
- “Pre-Opening” means a state during the trading session, for equities only, where DATS Traders can enter limit price orders and view order quantity imbalances but during which no orders are executed;
- "Prescribed Territory” shall have the same meaning as under the Capital Markets And Securities (Foreign Investors) Regulations 2003;
- “Price” means the unit price of a security;
- “Private Transfer” means a transfer of securities which does not involve monetary consideration as set out in these Rules;
- "Protection Price" means a fixed percentage on the Touchline Price, recalculated every time a new market order is submitted to the order book;

“Queue Priority” means the order sorting criteria that define the priority of execution;

"Recognised Stock Exchange" means a stock exchange other than the DSE recognised by the Authority;

"REITS" shall have the same meaning as under the Capital Markets and Securities (Collective Investment Schemes) (Real Estate Investment Trusts) Rules, 2011;

“Registrar” means the person or entity entrusted by the Issuer to register securities holdings in terms of law;

“Regular Order” mean all unfilled orders without any special terms where regular orders are given priority in trading over all other orders at any given price;

"Related Party" means-

- (a) the management company of a listed fund; or
- (b) the trustee or equivalent of a listed fund or director or equivalent of an Issuer; or
- (c) a major unit holder of a listed fund or substantial shareholder of a listed Issuer; or
- (d) a director, chief executive officer or major shareholder of the management company of a listed fund; or
- (e) a person connected, directly or indirectly, with any Director of a Listed Company, chief executive officer, or major shareholder of the management company or Listed Company, or a person connected, directly or indirectly, with the management company, trustee or a major unit holder of the Fund; or
- (f) where a management company of a listed fund manages more than one fund and a transaction involves two or more of the funds managed by that management company, transactions between these two funds are deemed as related-party transactions for each of the funds involved in the transactions;

"Reverse Transaction" means a major acquisition by an Issuer as described under Third Schedule to these Rules;

“Rules” means these Rules of the DSE (as amended from time to time);

“SADC” means the Southern Africa Development Community;

“Securities” includes securities as defined under the Capital Markets and Securities Act;

“Settlement Day” means the day designated for delivery versus payment settlement for a trade or other transfer as defined in these Rules;

"Settlement Time" means-

- (a) for payments no later than 9.00 a.m.;

(b) for securities within five minutes of the Exchange receiving confirmation of cleared payments from the Clearing Bank on each Business Day;

“Short Sale” means a sale of a security when the seller does not own the security, or have an exercisable right of sale;

“Special Trade” means a trade whose nature is classified by the Board as “special” and posted at the special lot board;

“Special Terms” means all unfilled orders with any special terms and shall include All or None, Minimum Fills and Minimum Blocks;

Cap.212

“Subsidiary Company” means a subsidiary company as defined by the Companies Act;

"Substantial Transaction" means the transactions defined in Third Schedule to these Rules;

“Symbol” shall mean the acronym that identifies the security being traded.

"T+" means transaction date (T) plus the configurable number of specified Business Days for settlement;

“Tick Size” means the minimum step by step increase or decrease in price by which bids and offers may be raised or lowered as defined in the DSE Rules;

"Touchline Price" means the highest bid or lowest offer price in the order book at a specific point in time. If bids or offer are unavailable for the day, the touchline is defined as the previous closing price. For the first day of trading following an Admission on the List the Touchline Price is defined as the issue price;

“Trade” means a bid and an offer which have been either wholly or partially executed or reported to conclude a contract under DSE Rules;

"Trade Range" means the price range established by the Exchange from time to time within which a trade can take place on the market;

"Trader" means a DATS Trader;

“Trading Session” means the designated period during which orders can be executed, amended, cancelled and traded;

Cap.79

“Trust Account” means a bank account opened and maintained by a Licensed Dealing Member of the DSE into which all clients money is deposited as required under the Capital Markets and Securities Act;

“Verification” means the process of confirming the facts regarding a client’s claim to a security on the CSD and the status of the holdings;

"VWAP" means the total value traded divided by the total volume traded for each security.

PART II
THE GOVERNANCE OF THE DAR ES SALAAM STOCK EXCHANGE PLC

General Meeting

3.-(1) “The DSE shall in each year hold its annual general meeting in addition to any other meeting in that year”.

(2) The proceedings and power of the general meeting shall be those spelt out in the Memorandum and Articles of Association.

The Board

4.-(1) The DSE is a Self-Regulatory Organisation (SRO) with its own Board, which issues company policies, guidelines, directions and makes Rules in accordance with the provisions of the Memorandum and Articles of Association establishing the DSE.

(2) The Board is the policy making body of the Exchange consisting of not less than five (5) and not more than nine (9) directors

(3) The powers and functions of the Board are as provided under the Memorandum and Articles of Association of the DSE.

The Chief Executive Officer

5.-(1) The Chief Executive Officer is appointed by the Board and is responsible for planning and formulating strategies and new development policies for approval by the Board and for ensuring the implementation of these strategies and policies.

(2) The Chief Executive Officer is in charge of the day-to-day operations of the Exchange.

(3) In discharging his functions, the Chief Executive is assisted by managers and other supporting staff who support the managers.

(4) The Chief Executive Officer of the DSE shall be engaged for a renewable period of three years subject to other terms and conditions as may be prescribed by the Board.

(5) The DSE may at any time terminate the appointment of the Chief Executive Officer if-

- (a) he neglects or refuses, or from any cause, other than ill health not caused by own misconduct, becomes unable to perform any of his duties or to comply with any orders of the Board;
- (b) in any manner misconducts himself; or
- (c) he shall abrogate from his duties under the contract.

(6) Before the termination of the Chief Executive Officer, the DSE shall afford him an opportunity to be heard and defend himself.

(7) Notwithstanding this rule, the Chief Executive Officer shall not be dismissed or removed from his office without the prior approval of the Authority.

Managers

6.-(1) The managers shall be appointed by the Board and shall be

accountable to the Chief Executive Officer.

(2) In performing of their functions under these Rules, the managers shall report to the Chief Executive Officer.

PART III
DIVISION I
MEMBERSHIP OF THE EXCHANGE

Admission to
Exchange

7.-(1) The Board may admit to the Exchange the following categories of Members:

- (a) Licensed Dealing Members (LDMs);
- (b) CSD Members; and
- (c) Non-Dealing Members.

(2) There shall be no limit on the maximum number of Members to be admitted to the Exchange.

Eligibility of
members

8.-(1) A person who intends to be admitted as a member of the Exchange shall-

- (a) be licensed by the Authority
- (b) be of good financial standing and is not adjudged bankrupt;
- (c) be willing to pay admission as well as annual fees in accordance with the fee tariff of the DSE as shown in these Rules and as may be modified by the DSE from time to time;
- (d) have not defaulted in DSE transactions or on another marketplace recognised by the Authority;
- (e) be willing to integrate with the DSE's systems infrastructure as may be modified and upgraded from time to time; and
- (f) submit recommendation letters from two reputable referees acceptable to the DSE.

(2) All applicants applying for DSE Membership must be duly established under Tanzanian laws or other jurisdiction in EAC, SADC or other country that is recognised by the Authority and continue to so exist.

CSD members

9. The following legal persons must obtain approval from the Board before being admitted as CSD Members-

- (a) LDMs;
- (b) Custodians;
- (c) Registrars; and
- (d) Institutional Investors.

Application
procedures for
membership

10.-(1) An Applicant applying for admission as a Member shall submit to the Exchange an application in writing, specifying the category of membership applied for, in the form as set out in the Schedule to these Rules

and include with the application the following-

- (a) in case of a Dealing or Non-dealing Member -
 - (i) certificate of incorporation or certificate of registration;
 - (ii) constitutional documents establishing the body corporate such as the relevant constitution, trustee deeds, memorandum or articles of association;
 - (iii) the profiles of the directors, a compliance officer and a principal officer; and in the case of LDMs, the ADRs, DATS traders, CSD members and Registrars and evidence of the requisite technical expertise;
 - (iv) business licence or any other legal or regulatory registrations from the Authority, the Bank of Tanzania or other recognised institution as may be appropriate;
 - (v) audited financial statements for the past three years or a shorter period as acceptable to the DSE in the case of applicants which have had a shorter period of incorporation;
 - (vi) statutory declaration by the principal officer of the Applicant to the effect that the company is not adjudged insolvent and is of sufficient financial standing;
 - (vii) bank guarantees and other financial requirements in case of LDMs, Custodians and Registrars;
 - (viii) an undertaking that the Applicant shall comply with these Rules;
- (b) in the case of a Custodian CSD member, confirmation that the applicant has appropriate safekeeping measures (such as vaults and other security measures) to store securities and other physical records where appropriate;
- (c) in all cases, an application shall be accompanied by the non-refundable application fee and membership fee applicable from time to time.

(2) Upon the decision of the Board that the Applicant is qualified, fit and proper as a member, where required, the Applicant shall lodge the necessary financial guarantees, for the time being payable within the period stipulated by the Board, and the Board shall admit the Applicant to membership.

(3) The Applicant shall be registered as a Member and be entitled to all the associated benefits defined in these Rules from the date of satisfying the requisite financial guarantees.

(4) Where the applicant fails to make the payment within the prescribed period, the application shall automatically lapse, unless, consequent upon an

appeal by the Applicant to the Board, the Board directs otherwise.

(5) Members shall pay the fees and relevant subscription charges as provided under the First Schedule and as may be prescribed by the Board from time to time in accordance with these Rules.

(6) Members and applicants shall also complete any technology integration requirements with the DSE's systems within the timescales stipulated by the DSE.

(7) A Member shall give advance notice of commencement, temporary suspension, and cessation of business to the Board.

Bank guarantees

11.-(1) As a pre-requisite of acceding to the benefits of membership, every LDM, Nominated Advisor, Custodian and Registrars shall furnish a bank guarantee to the DSE, drawn on a bank authorised by the Bank of Tanzania that shall not be less than the amount prescribed under sub-rule (3) of this Rule and approved by the Authority.

(2) The bank guarantee under sub-rule (1) shall be free of any charges of encumbrances and shall be in a manner set out in the Fifth Schedule to these Rules.

(3) The bank guarantee shall be:

- (a) TZS 50 million in respect of settlement activities undertaken by Custodians;
- (b) TZS 25 million in respect of trading activities undertaken by LDMs; and
- (c) TZS 25 million in respect of registration activities undertaken by non-custodian CSD members.

(4) These guarantees under this rule shall remain in place throughout the duration of membership.

(5) The bank guarantee shall be defined in accordance with a standard set of conditions defined by the Exchange.

(6) In the event that a bank guarantee becomes invalid, or is used in whole or in part, a member shall not be entitled to operate until the guarantee is restored.

Memorandum and Articles of Association

12.-(1) Every LDM shall provide a copy of all changes to its Memorandum and Articles of Association:

Provided that where such change would involve an alteration to the name of the LDM as already approved by the Board, the name change must be approved in advance by the DSE.

(2) The company name of a Member registered with the Exchange shall be the same as that registered by that Member under the Companies Act or equivalent under any relevant legislation.

(3) A Member may register with the Exchange more than one business address held for the purpose of dealing in securities.

(4) Where a Member has registered more than one business address, that Member shall specify one address its principal business address.

(5) Business address under sub-rule (4) shall mean a place where the business of dealing in securities or other functions in relation to the DSE is frequently carried out by or on behalf of the member.

DIVISION II CODE OF BUSINESS CONDUCT

Independence

13. A member shall not directly or indirectly hold a beneficial interest in the share capital of, or have any other working arrangements with, any other member, unless approved by the Board which may in its discretion, set any conditions for such approval as it deems fit.

Fiduciary
responsibility

14.-(1) Knowledge and information gathered from a client in the course of its business dealings is obtained in a fiduciary capacity.

(2) A member shall not use, directly or indirectly, the knowledge and information obtained under this rule for the advancement of the financial interest of the member or the member's associates.

Conflicts of interest

15.-(1) In the event of any conflicts of interest, directly or indirectly, between the LDM and the client, the LDM shall not accept the instructions of the client in relation to the transactions in question or shall accept such instructions only upon having informed the client of the possible conflict and the client approving in writing the proposed course of action.

(2) Actual or potential conflicts of interest include, but not limited to-

- (a) dealing as a principal with the client;
- (b) acting on behalf of the Issuer of the securities; and
- (c) acting for both parties to a trade.

Priority of clients'
interests

16.-(1) An LDM shall place all orders through DATS and shall clearly distinguish business transacted for its clients and business transacted on behalf of persons associated with the LDM.

(2) At all times, the LDM shall first consider the interest of its client and its own interest and those of its employees shall at all times be subordinate to that of the client.

Exposure to a single security

17.-(1) An LDM shall not permit its exposure, in its principal capacity, to a single security to exceed 100% of its net capital.

(2) In these Rules "exposure to a single security" means-

- (a) the net amount of the single security underwritten or sub-underwritten by the LDM;
- (b) the book value of the single security carried on the LDM principal account marked to market at current market prices less any haircut which may be determined by the DSE from time to time; and

(3) Sub-rule 2(a) shall not apply to securities issued or backed by the Government of Tanzania, its agencies or any other similar securities approved by the Authority.

Market abuse and manipulation

18.-(1) An LDM shall avoid any practice which may create a false market and may not directly or indirectly participate in any operation by others which shall have a similar result.

(2) Any knowledge gained by an LDM of a transaction which would result in the creation of a false market should immediately be reported by the LDM to the Exchange and the Exchange shall, among other actions it may take, alert the Authority without delay.

(3) A false market includes, but is not restricted to, market manipulation and false or misleading statements under the Act that are made either directly or indirectly by any LDM or a group of LMDs with the intention of distorting the market.

Compliance by LDMs and their clients

19.-(1) An LDM shall act in compliance with the letter and spirit of these Rules and the law relating to the securities business, warn clients where to its knowledge they may be held to be in violation of provisions such as those on insider dealing.

(2) Where the Exchange finds that any bid or offer placed may be disorderly or malicious, the LDM shall not contest any action taken by the market official having the effect of setting aside or suspending such bid or offer.

(3) An LDM shall make available for inspection to any client who so requested its last audited financial statements, its fixed scale of charges and the names of directors or principals of its business.

(4) An LDM shall comply fully with any inquiries or investigations undertaken by the Exchange.

(5) An LDM or any of its executive directors or employees shall not, without the prior authority of the Exchange, deal in securities of an Issuer where such LDM, the director or any of the employee of that LDM is a director or officer of the Issuer.

Customer complaints

20.-(1) Every LDM shall have in operation a published procedure for the handling of complaints from its customers.

(2) The procedure under sub-rule (1) shall include reference to a requirement that all customer complaints are duly entered in a register detailing action taken towards their resolution.

(3) The register under sub-rule (2) shall be made accessible to the DSE upon request.

(4) All employees of an LDM who deal with customers shall be made aware of the procedures which provide for-

- (a) the complaint to be investigated fully and appropriately by the compliance officer;
- (b) the complaint to be reported to the DSE if not settled within seven days of receipt;
- (c) the notification to the complainant of his right to utilise the DSE's published complaints procedure.

Liability of directors
and officers of
Members

21.-(1) An LDM shall be responsible for all acts committed or omitted, directly or indirectly, by its directors, employees or agents in its securities business.

(2) Any director, manager or officer of a Member shall be jointly and severally held liable together with the LDM under these Rules for any breach of or non-compliance with the Act, the Articles or these Rules.

(3) A Member not continuing to meet the requirements of membership shall thereupon be deemed to be in-capacitated in the event of:

- (a) passing a resolution to wind up or a court order being made for the appointment of a liquidator, receiver or winding up;
- (b) becoming insolvent; and
- (c) failing to pay membership fee for 3 consecutive years.

(4) Without prejudice to sub-rule (3), an LDM shall also be deemed to be incapacitated in the event of-

- (a) ceasing to have a director, a compliance officer and/or a principal officer, or in the case of a casual vacancy, failing to replace the former director or officer within a reasonable time as may be allowed by the DSE; and
- (b) failing to meet bank guarantee requirements defined in these Rules.

(5) Where a Member is incapacitated-

- (a) all the rights and benefits of membership shall be immediately suspended;
- (b) that Member, or the personal representative, trustee, receiver,

or liquidator as the case may be, who is in charge and has power over the assets of the Member shall abide by these Rules and the decisions of the Board as if he were the Member, in particular executing any necessary transfers, or discharging payment obligations ensuing therefrom; and

(6) The Exchange reserves the right to invoke the buy-in or sell out procedures defined in these Rules.

Acts of misconduct

22.-(1) A Member shall not commit an act of misconduct.

(2) Acts of misconduct shall consist of any of the following:

- (a) breach of any rule or established good practice;
- (b) failure to comply with a decision of the DSE management, Committee or Board;
- (c) any conduct detrimental to the interests of the DSE or is dishonourable, disgraceful, improper or unbecoming of a member;
- (d) knowingly becoming involved in conduct, neglect or default which contributes to an act of misconduct by a Member or any of the partners, directors, shareholders, employees or agents thereof;
- (e) failure on the part of a Member, who knew or ought to have known of any proposed or actual act of misconduct by a Member or any of the partners, directors, shareholders, employees, agents or clients thereof, to take reasonable steps to prevent it or bring to the attention of the appropriate person or otherwise to deal with it as may be appropriate;
- (f) failure on the part of a director, compliance officer or principal officer of a Member to ensure that his company is adequately resourced and that its operations are conducted in accordance with the DSE best practices; or
- (g) failure to pay any fine imposed within the time specified by the Board;
- (h) in the case of an LDM-
 - (i) not being open for business on a business day;
 - (ii) failure to have an ADR or a DATS trader monitoring the activity shown in DATS at any time during a trading session; or
 - (iii) disorderly conduct or other conducts involving wilful obstruction of business on DATS or the trading floor or otherwise.
 - (iv) failure to have funds in the settlement account prior to settlement day.

23.-(1) Where the DSE management considers that a Member may be in breach of these Rules, it shall require a written explanation from that Member to be given within seven business days from the time when the DSE requests the Member to provide such information.

(2) Where the Member's explanation is deemed by DSE management as insufficient or where no written explanation is forthcoming, DSE management shall refer the matter to the Committee responsible for disciplinary matters.

(3) In determining whether a breach of these Rules has taken place, the Committee for disciplinary matters may, in its discretion, call for further submissions from the DSE management and the Member.

(4) Where the Committee determines that a breach of these Rules has taken place, it shall report the matter to the Board with any recommendation on appropriate sanctions and issue the Member with a copy of that report.

(5) The Board shall consider imposing any sanction pursuant to Rule 24.

(6) A Member who is aggrieved by the decision of the Board under this rule may, within seven days from the date when that decision was communicated to him, appeal to the Authority.

(7) Unless the context otherwise requires, references to a "Member" under this rule shall include any former Member and a reference to "membership" shall be construed accordingly.

(8) Notwithstanding what is provided under Rule 23 (2) above, a member who has breached a settlement rule in relation to pre-funding requirements shall be handled by Management in accordance with these Rules.

24.-(1) The sanction that may be imposed on any Member under the disciplinary procedure, may be one or more of the following:

- (a) expulsion from membership;
- (b) suspension from trading in any manner;
- (c) suspension of the right of a representative of a Member to log into DATS, use the CDS, or use any other DSE system;
- (d) public censure or private reprimand;
- (e) fine which a Member shall pay by imposing it as a due debt to the DSE within the time limits specified by these Rules; and
- (f) publication of any of the disciplinary measures under this sub-rule including relevant details of the breach or misconduct.

(2) Disciplinary proceedings against a former Member shall not be instituted beyond one year from cessation, resignation or other termination

of membership.

(3) An LDM shall be liable to expulsion in accordance with these Rules if, in any of the particulars or information given by the LDM, any misrepresentation or omission of a material fact shall be found to have been made at the time of application.

(4) In the event of expulsion, the LDM shall immediately cease to have access to the trading, CDS and any other facilities of the Exchange.

Resolution of disputes
between Members

25.-(1) All Members are obliged under this Rule to ensure that all disputes arising out of, or in connection with the business of the Exchange, are settled amicably.

(2) Where any Member is of the opinion that a dispute between Members has remained unresolved, it shall report such matter to the DSE management, and the management shall endeavour to achieve an amicable settlement between the parties.

(3) If amicable settlement by the management is not possible, the report shall be referred by the DSE management to the Committee responsible for Members' disputes resolution within seven business days from when the report was first received.

(4) Upon receipt of the report under sub-rule (3), the Committee shall invite the reporting Member to make any additional submissions in support of the report within seven business days.

(5) The report and any additional submissions made under this Rule shall then be attached to a new invitation by the Committee to the other Member, which shall be afforded an opportunity to furnish any concluding submissions in reply thereto within seven business days, copied to the reporting member.

(6) Upon receipt of written submissions under sub-rule (5), if any, the Committee shall appoint a date for hearing of any final verbal submissions on the matter.

(7) Upon such hearing, the Committee shall deliberate on the matter and arrive to an equitable resolution award which shall be communicated to the relevant Members.

(8) An aggrieved Member by the award of the Committee may further appeal to the DSE Board within seven business days.

(9) Upon receipt of the appeal under sub-rule (8), the Board shall deliberate on the matter and make a decision.

(10) Any Member aggrieved by the decision of the Board may appeal to the Authority within seven business days.

(11) Parties to a dispute shall not attempt to bring an action in the courts of law in respect of any claim arising out of or in connection with the DSE business without first having attempted to resolve the dispute amicably

and exhausted the DSE arbitration process in accordance with this Rule.

Business conduct

26.-(1) Each Member shall at all times adhere to the principles of good business practices in the conduct of its business affairs.

(2) Each LDM shall ensure that all its ADRs and DATS traders comply with the Rules or requirements of the Exchange.

(3) The DSE may require at any time that the name, terms of employment and actual duties and permissions of any person employed by an LDM and CSD Member be furnished to the DSE, together with such other information with respect to such employee as it may deem appropriate to permit it to enforce compliance with these Rules.

(4) No business shall be transacted on account of an employee or for an account in which an employee has a direct or indirect interest, except with the prior written consent of executive director of the LDM in respect of each transaction.

(5) An LDM shall not buy or sell securities for a person employed by another LDM.

(6) An LDM shall not employ in its business, a person who is not of good standing.

(7) An LDM shall not allow any unauthorised third party to use or operate under its license or DATS trading account, without formal DSE approval as a DATS trader and in the absence of adequate security, confidentiality and risk management measures acceptable to the DSE.

(8) LDM and CSD Member shall through a principal officer-

- (a) use due diligence to learn the essential facts relative to every client, order, cash account accepted or operated by that Member and every person holding power of attorney over any such account;
- (b) diligently supervise all accounts handled by its ADR or DATS Trader; and
- (c) specifically approve the opening of an account prior to or promptly after the completion of any transaction for the account of or with a client.

(9) The designated principal officer approving the opening of the account under sub-rule 8(c) shall, prior to giving his approval, be personally informed as to the essential facts relative to the client and to the nature of the proposed account and shall indicate his approval in writing on a document which shall become part of the permanent records of the said Member.

Legal persons

27.-(1) Prior to entering into any transactions on the DATS on behalf of any client not being a natural person, an LDM shall have on its file-

- (a) a resolution of the client's directors or equivalent, or other

binding document empowering specified persons to submit transactions in securities on the client's behalf;

- (b) an authenticated set of specimen signatures of the persons specified under paragraph (a);
- (c) identification document of the specified person; and
- (d) a signed client agreement letter specifying the services to be supplied.

(2) An LDM shall, before entering into any transactions on the DATS

- (a) accept written instruction from the client in accordance with sub-rule (1) (d) above;
- (b) maintain guaranteed sequence integrity of order entry; and
- (c) retain written evidence of all client instructions within their accounting records.

Natural persons

28.-(1) Prior to entering into any transactions on the DATS on behalf of natural persons, an LDM shall have on its file:

- (a) an authenticated set of specimen signatures;
- (b) an identification document agreed by the Member with the DSE; and
- (c) a signed client agreement letter specifying the services to be supplied.

(2) An LDM shall only accept written instructions with guaranteed sequence integrity prior to entering into any transactions on the DATS in accordance with sub-rule (1) above, unless he obtains a written indemnification from the client, allowing that Member to accept such orders in any other form.

(3) A client's account operated by an LDM's connected person shall be operated by a principal officer duly authorised by the Member's board of directors.

(4) CSD Members shall maintain registers of signatures of their personnel who are authorised to execute CSD documents and furnish those documents to the DSE.

Nominee accounts

29.-(1) Where an agency account is operated by an LDM or CSD Member, its files shall contain the name of the principal for whom the agent is acting and written evidence of the agent's authority to trade on its behalf.

(2) The LDM or CSD files shall be made available to the Exchange at any time on request.

(3) Where estate and trustee accounts are involved or where a husband is acting as agent for his wife, or vice versa, the said Member shall act on advice from legal counsel as to the documents that should be obtained before

opening the account.

(4) All client accounts must be identified and designated by a full name of the client and no LDM or CSD Member shall operate a client account designated only by a number or symbol.

(5) All LDMs or CSD Members shall inform the Exchange promptly of particulars of delinquent accounts.

Particulars of clients

30.-(1) All particulars relating to every client shall be recorded and maintained up to date at the office of the LDM or CSD Member.

(2) Particulars under sub-rule (1) shall include the identity card or passport number, residential address and telephone numbers, occupation and name, address of employer if applicable and all other information concerning the client that may be useful in identifying such client, in addition to the particulars prescribed by the Board.

(3) All accounts maintained by foreign investors must be separately designated as such in the CSD.

Contract Notes

31.-(1) Not later than the next business day following the relevant trade, an LDM shall dispatch to its client by ordinary post or hand delivery unless any other method of delivery has been agreed upon in writing, a contract note in respect of the purchase or sale of securities executed, including the following details-

- (a) the name and style under which the LDM carries on business and the address of the principal place at which it so carries on business;
- (b) a statement as to whether the LDM is acting as principal or agent;
- (c) the name of the person to whom the LDM is required to issue the contract note;
- (d) the date and time of the trade, and the date on which the contract note is made out;
- (e) the quantity and description of the securities that are being sold or purchased;
- (f) except in the case of Private Transfers, the price per unit of the securities;
- (g) the amount of consideration payable under the contract or, in the case of an exchange, sufficient particulars of the securities exchanged to identify them;
- (h) the rate of amount of commission payable in respect of the contract;
- (i) the amount of stamp duty, if any, and registration charges, if any, payable in connection with the contract and, where

applicable, in respect of the transfer;

- (j) the fee payable to the Exchange by the client;
- (k) the fee payable to the Authority by the client;
- (l) the words: “SUBJECT TO THE RULES OF THE DAR ES SALAAM STOCK EXCHANGE”;
- (m) in the case of bonds, LDMs shall indicate accrued interest separately on the contract note.
- (n) client signature and stamp/signature of the LDM.

(2) The accrued interest amount under sub-rule (1) (m) above shall be calculated by reference to the rate specified in the security and the number of days which have elapsed from the last payment date up to the settlement day.

Discretionary
Accounts

32. No LDM and CSD Member shall exercise any discretionary authority in respect of a client account unless:

- (a) The client has given prior written authorisation to the LDM and CSD Member to exercise discretion on the account;
- (b) The LDM and CSD Member has accepted the discretionary account in accordance with these Rules;
- (c) The authorisation given to the LDM and CSD Member shall specify the investment objectives of the client with respect to the particular discretionary account;
- (d) Each authorisation or acceptance may be terminated by notice in writing by the LDM and CSD Member or the client, as the case may be;
- (e) Statements of Account shall be sent to all clients having discretionary accounts on a monthly basis within three days of the month end. Statements shall set forth the opening money and securities balance (for individual currencies and securities), movements during the month and the money and securities balance carried forward as at the statement date; and
- (f) Each statement of account sent to a client shall bear a legend - “A FINANCIAL STATEMENT OF THIS LICENSED DEALING MEMBER OR CSD MEMBER OF THE DSE IS AVAILABLE FOR YOUR PERSONAL INSPECTION AT OUR OFFICES”.

Brokerage and DSE
fees

33. Rules pertaining to all aspects of fees are covered in Part XIII and in the First Schedule of these Rules.

Payments to clients

34. The amounts due to a client in respect of a trade shall be paid to the client not later than the next business day following settlement, less any

transaction fees payable to the LDM, Exchange, Authority and Fidelity Fund by the client.

Accounting records

35.-(1) Every LDM and CSD Member shall maintain complete and accurate records and financial statements to show, where applicable, particulars of-

- (a) all monies received or paid, including monies paid to, or disbursed from a Trust Account;
- (b) its business of transactions in securities including those executed or trade reported on DATS, cleared, settled and deposited in the CSD including details of persons associated with the LDM.

(2) Each LDM and CSD Member shall ensure that records made in accordance with sub-rule (1)(b) above complies with the applicable law and such records together with the following information shall be made available for inspection at any time by the DSE-

- (a) all income received from commissions, interest and other sources and all expenses, commissions and interest paid;
- (b) all assets and liabilities including contingent liabilities;
- (c) all principal securities that are the property of the LDM, showing by whom the securities, or the documents of title to the securities, are held and, where they are held by some other person, whether or not they are held as security against loans or advances;
- (d) all agency securities that are not the property of the LDM or CSD Member and for which the LDM or CSD Member or any nominee controlled by it is accountable, showing by whom, and for whom, the securities or the documents of title to the securities are held and the extent to which they are either held for safe custody or deposited with a third party as security for loans or advances made to the LDM;
- (e) all agency securities and monies must be segregated from any principal securities within the LDM and CSD Member records, and at the CSD and monies held with any bank; and
- (f) backup records.

(3) All records made under sub-rule (1) of this Rule shall be verified by the DSE from time to time.

Trust Accounts

36.-(1) Each LDM and CSD Member shall establish and keep in a bank or banks in Tanzania one or more trust accounts, designated or evidenced as such, into which it shall pay-

- (a) all and only amounts (less any commission and other proper charges) that are received from or on account of any person

(other than an LDM) for the purchase of securities; and

- (b) all and only amounts (less any commission and other proper charges) that are received for or on account of any person (other than an LDM) from the sale of securities and that are not paid to that person or as that person directs not later than the next bank business day following the day on which they were received by the LDM.

(2) All amounts received by the LDM or CSD Member for or on account of any person and are required by sub-rule (1) of this Rule to be paid into a Trust Account shall be retained in the Trust Account until when-

- (a) paid to the person entitled thereto or as such person directs in writing;
- (b) withdrawn for the purpose of defraying commission and other proper charges;
- (c) paid to the LDM or CSD Member monies, to which it is entitled, being monies that were paid into the Trust Account but were not required to be so paid; and
- (d) paid as otherwise authorised by law.

(3) The Trust Accounts shall be designated "clients' accounts" and shall solely be used to receive monies deposited by clients for the purchase of securities, effect payments for securities transacted and receive monies from the sale of securities.

(4) The Trust Accounts shall not under any circumstances be commingled with any other bank accounts operated by the LDM or CSD Member.

(5) The Exchange shall have power to inspect the operations and activities of all Trust Accounts maintained by the LDM or CSD Member at such intervals as may be determined by the Board.

Annual Accounts

37. Each LDM and CSD Member shall submit to the Exchange Annual Accounts audited by auditors registered by the National Board of Accountants and Auditors or equivalent organ recognised by the relevant authorities, within six months following the end of the LDM's or CSD Member's financial year.

Quarterly returns

38.-(1) Each LDM, listed company and CSD Member shall, within thirty days since the end of each quarter of a financial year, submit to the Exchange, a quarterly report indicating the financial performance of the company during that particular quarter.

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(2) The quarterly financial report that is required by this Rule shall be in the manner and form prescribed in the CMS (Accounting and Financial) Regulations, 1997.

(3) Where an LDM and CSD Member fails to submit the statements required under sub-rule (1) of this Rule within the prescribed time, there shall be imposed upon the LDM a charge as may be decided by the Board, for each day that the statements are not submitted, unless an extension of time has been granted.

(4) Requests for extension of time by an LDM and CSD Member shall be submitted to the Exchange at least three business days prior to the due date.

Termination of membership

39. The DSE Members shall cease to be Members under the following circumstances-

- (i) if the body corporate is unable to meet the financial standing requirements of the Exchange or the Authority;
- (ii) is wound up;
- (iii) is under receivership;
- (iv) is de-registered;
- (v) is declared unfit to be a Member by a Court order;
- (vi) resigns voluntarily or fails to pay requisite fees and other ancillary charges for one year without reasons justifiable to the DSE;
- (vii) is delicensed or deregistered by the Authority; or
- (viii) ceases to exist for any other reason.

Expulsion

40.-(1) A Member shall be liable for expulsion in accordance with these Rules if-

- (a) any of the particulars or information given in a Member's application form contains misrepresentation or omission of material facts;
- (b) any of the particulars or information given in a member's Application from subsequently changes and the Member fails to notify the Exchange of the change resulting in a material misrepresentations or omissions of facts.

(2) In the event of expulsion under this Rule, the Member shall cease forthwith to have access to the trading, clearing, settlement and other facilities of the Exchange.

PART IV

LISTING RULES FOR THE MAIN INVESTMENT MARKET SEGMENT (MIMS)

General provision

41.-(1) All applicants for Admission on the List shall comply fully with all relevant legal and regulatory requirements to produce a valid prospectus as a condition of obtaining an Admission on the List.

(2) All applicants for Admission on the List of Real Estate Investment

Trusts shall observe and ensure compliance with, apart from DSE Listing Rules, the Capital Markets and Securities (Collective Investment Schemes Real Estate Investment Trusts), Rules 2011 as amended from time to time.

Procedure for approval of the Board

42.-(1) No securities shall be Admitted on the List without a written approval of the Board.

(2) Admission to the MIMs may be made subject to such conditions as the Exchange deems necessary in order to protect investors.

Sponsorship of application for Listing

43.-(1) An applicant shall appoint an LDM of the Exchange to sponsor its application.

(2) The sponsoring LDM shall ensure that the Board is made aware of all the information which is relevant to the application.

(3) The sponsoring LDM shall be responsible for the lodging of any documents that are required to be submitted with the application and ensuring that they comply with these Rules.

(4) A sponsoring LDM shall, when acting in that capacity, satisfy itself that the directors of an Issuer-

(a) may prepare and publish all information necessary for an informed market to take place in the company's securities; and

(b) appreciate the nature of the responsibilities they will be undertaking as directors of an Issuer;

(5) All matters arising in connection with an application shall be channelled through the sponsoring LDM.

(6) A sponsoring LDM is also required to give advice on the application of these Rules in relation to any transaction or matter concerning the issue.

(7) It shall be the duty of a sponsoring Member for a new applicant to:

(a) take all reasonable steps to satisfy itself that the Issuer has complied with all the relevant conditions for Admission on the List and other relevant requirements of these Rules and must ensure that the Issuer is guided and advised as to the application of these Rules;

(b) confirm to the Board in writing that it has obtained written confirmation from the applicant that its directors have established procedures which provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Issuer and its group and that it is satisfied that the confirmation by the Issuer has been given after due and careful enquiry by the Issuer.

(8) An applicant shall inform the Board in writing immediately upon change of sponsoring LDM giving reasons.

Application for
Admission on the List

44.-(1) An application for Admission on the List at the Exchange shall be made to the DSE by filling in the Form No.I prescribed in the Second Schedule.

(2) An application under sub-rule (1) of this Rule shall be accompanied by a certificate from the LDM sponsoring the application by filling in Form No. II prescribed in the Sixth Schedule

(3) The DSE management shall place before the Board an application under these Rules as well as recommendations thereon for the decision of the Board and that decision shall be final.

Documents to be
submitted with an
application

45. The Issuer's application for Admission on the List shall be submitted to the DSE by the sponsoring Member. The application shall contain the following documents-

- (a) a letter from the Issuer's Legal Counsel confirming that the applicant is duly constituted;
- (b) a letter in the format specified in the Twelfth Schedule to these Rules from the sponsoring LDM confirming that the applicant is able and willing to comply with these Rules;
- (c) ten copies of prospectus submitted to the Authority for approval and subsequently ten copies of any final approved prospectus marked up to show changes from the draft which was first submitted;
- (d) ten copies of the applicant's audited accounts for the previous three years or for all previous years if the Issuer has been incorporated for less than such period;
- (e) ten copies of the applicant's memorandum and articles of association or other appropriate governing documents according to the nature of the security and of any proposed alterations;
- (f) details of the existing and intended distribution of the applicant's securities including particulars of any beneficial owners of 5% or more of the securities;
- (g) a copy of all required authorisations with respect to submission for approval by the Board and publication of prospectus as to the changes in the Issuer's structure;
- (h) where applicable, a copy of the proposed underwriting agreements and contracts, proposed agreements with securities exchanges for admission on the list of the securities to be offered and proposed agreements or contracts with the Registrar;
- (i) In the case of an applicant which is a REIT, proof that the

Authority has granted permission for it to be admitted on the List; and

- (j) A CD/USB key or other electronic media with a copy of all of the above documents in electronic form.

Basic conditions to be fulfilled by an applicant

46. An applicant for Admission of its securities on the List shall comply with the following requirements-

- (a) must be duly incorporated as a public company under the law of Tanzania and it must be in conformity with that law and its memorandum and articles of association and shall under that law be permitted to issue shares to the public;
- (b) must have paid up capital of at least Tanzanian shillings one billion;
- (c) the securities for which Admission on the List is sought must be issued in conformity with the laws of Tanzania and in conformity with the Issuer's memorandum and articles of association or equivalent documents and all authorisations needed for their creation and issue under the law or documents must have been duly obtained;
- (d) the securities for which Admission on the List is sought must have a minimum value of at least Tanzanian shillings two billion, including where relevant, the minimum issue price of individual units in the specific case of REITS, provided that:
 - (i) the requirement under paragraph (d) above shall not apply in the case of further issues of securities of a class which are already Admitted on the List; and
 - (ii) the Board may Admit on the List securities of a lower total value provided that it is satisfied that there shall be adequate marketability of the securities but it shall not lower the minimum value of an individual unit in any REIT.
- (e) the securities for which Admission on the List is sought must be freely transferable but in exceptional circumstances approved by the Board, an Issuer may take power to disapprove the transfer of shares provided that such powers shall not disturb the market.
- (f) (i) must have published or filed Annual Accounts covering a period of three years preceding the application and must have a profit after tax attributable to shareholders in at least two of the three financial years.
 - (ii) notwithstanding the contents of paragraph (f) (i) above, the Board may accept a shorter period if it is in the interests of the applicant or of investors and the Board is satisfied that

investors shall have the necessary information available to arrive at an informed judgement on the applicant and the securities for which Admission on the List is sought; or a newly established the applicant has acquired a business or businesses which satisfies the three year trading record requirement under a management which will be continuing to manage the business subsequent to the acquisition by the applicant.

- (g) must have Annual Accounts drawn up in accordance with the Companies Act, and must be prepared and independently audited in accordance with the International Financial Reporting Standards or other standards as may be prescribed by the National Board of Accountants and Auditors (NBAA) as well as Auditing Guidelines published by the NBAA both of which incorporate International Accounting Standards. The auditors must have reported on the accounts without any qualification.
- (h) the directors of the applicant must confirm that the working capital available is sufficient for at least eighteen months; where working capital is not sufficient, the Board may accept an application for further securities of a class already Admitted on the List provided the directors of the Issuer demonstrate satisfactory proposals to provide the additional working capital.
- (i) any published profit forecast made by an applicant in respect of a period for which audited Annual Accounts have not yet been published must have had its accounting policies and calculations examined and reported upon by the reporting accountants. The sponsoring Member must have satisfied itself as to whether the forecast has been made by the directors after due and careful enquiry;
- (j) where a new applicant already has securities Admitted on the List on an overseas stock exchange, it must be in compliance with the requirements of that Exchange;
- (k) (i) where an applicant has a relationship with a substantial shareholder which could result in a conflict of interest between its obligations towards that shareholder and its duties to the general body of shareholders, the conflict could render the applicant unsuitable for Admission on the List;
(ii) in this Rule substantial shareholder means any shareholder entitled to exercise or control the exercise of 30% or more of the voting power at general meetings of the applicant or one which is in a position to control the composition of a majority of the board of directors of the applicant;

- (l) (i) at least 25%, of the Issuer's shares being not less than one million shares of any class must be in the hands of the public prior to the time of Admission on the List. For these purposes, in public hands excludes holdings by major shareholders, directors and connected persons;
- (ii) notwithstanding the contents of paragraph (l) (i) above, the Board may accept a lower percentage and/or a fewer number of shares where the amount of securities of the same class and the extent of their distribution would enable the market to operate properly;
- (m) the shares must be fully paid up prior to their Admission for trading, with the exceptions of right issues which shall be fully paid up within 3 months;
- (n) goodwill-
 - (i) where an applicant is dependent for a significant part of its assets or profits on intangible property rights or on contracts or concessions with or from third parties, the prospectus must make full disclosure of the terms of such rights or concessions (including all provisions relating to their termination or renewal) so as to enable investors to make an informed judgement of the value of the securities of the applicant;
 - (ii) if, prior to an Issuer's Admission on the List, it has engaged in transactions or arrangements which have had the effect of enhancing the value or extent of intangible assets shown or reflected in its financial statements, the Board may, if it considers that this might prejudice the interests of investors, deem the Issuer as unsuitable for Admission on the List;
- (o) provisions of the memorandum and articles of association of the Applicant must comply with the requirements set out in the Fourth Schedule.
- (p) where the application for listing is made in respect of any class of security, if-
 - (i) none of the securities of that class are already admitted on the List the application must relate to all securities of that class issued or proposed to be issued;
 - (ii) some of the securities of that class are already Admitted on the List the application must relate to all further securities of that class issued or proposed to be issued; and
 - (iii) Admission on the List must be sought for all further issues of a class of securities already Admitted on the List

not more than one month after allotment;

- (q) warrants or options to subscribe-
 - (i) in the absence of exceptional circumstances, the issue of options or warrants to subscribe equity must be limited to an amount equal to 10% of the issued equity capital at the time the warrants or options are issued. employee's share schemes shall not be taken into account for the purpose of this limit;
 - (ii) where an application for admission on the List is made for options or warrants to subscribe, the terms of issue must be such that the unit of dealing (whether trading separately) is an option or warrant to subscribe for one share;
 - (iii) where the terms of the subscription rights change (e.g. on a capitalisation issue), the sponsoring member must ensure that the officially published quotations continued to be based on the right to subscribe for one share; and
 - (iv) the terms for the exercise for options or warrants to subscribe must not be capable of variation or suspension at the discretion of the Issuer or of its directors (though they may contain specific arrangements for variation in the subscription price or number or shares to take account of alterations to the share capital of the applicant);
- (r) options or warrants not accompanying other securities-
 - (i) where application is made for Admission on the List of options or warrants to subscribe or purchase securities, not being options or warrants accompanied by other securities, the Board may apply the same requirements as would apply to the securities to be subscribed or purchased;
 - (ii) where such an application is contemplated, the Chief Executive Officer shall be consulted at an early date as to the requirements which may be applicable.
- (s) exchangeable or convertible securities warrants or options-
 - (i) Securities convertible or exchangeable into other class of Securities or options or warrants to subscribe or purchase such other class may be admitted on the List only if that other class of Securities is (or will become at the same time):
 - (aa) class of Securities; or
 - (bb) a class of Securities or traded on another regulated, regularly operating, and recognised open market;

- (ii) the Board may admit on the List such Securities, options or warrants in other circumstance if they are satisfied that holders have the necessary information available to form an opinion concerning the value of the underlying securities to which such securities, options or warrants relate.
- (t) the applicant must have at least 1,000 shareholders; exceptionally, a fewer number of shareholders may be accepted by the Board where the amount of securities of the same class and the extent of their distribution would enable the market to operate properly;
- (u) the applicant must have in place an Audit Committee established as per the authority's guidelines on Corporate Governance.

Admission of rights issues on the List

47.-(1) Securities of Issuers representing rights to subscribe to ordinary shares may be Admitted on the List of the Exchange but only where these rights are renounceable in favour of other parties and are convertible into a class of security which has already been Admitted on the List.

(2) Right Issues shall be fully paid on the books closure date which shall be within 3 months from the admission date, or as may be agreed by the Exchange.

Admission on the List of preference shares

48.-(1) An Applicant for Admission on the List of preference shares shall meet the following criteria-

- (a) must already have obtained admission on the list of its ordinary shares;
- (b) must offer at least 1,000,000 issued preference shares of the class to be admitted on the list provided that, further issues of shares of a class already admitted on the List are not subject to these limits;
- (c) must ensure that the total amount of preference shares of the applicant must not exceed 100% of shareholders' funds less intangible assets;
- (d) must comply with such terms as the Exchange may require for the protection of shareholders.

(2) Sub-clauses (i) and (iii) of sub-rule (1) above shall not be deemed to exclude an application for the Admission on the List of preference shares in circumstances where the securities in question are unconditionally and irrevocably guaranteed by the Government.

(3) Notwithstanding sub-rule (1), the Board may, where in its opinion such a course of action may be justified, allow on such terms and conditions as it deems appropriate, Admission on the List of preference shares without

prior Admission on the List of ordinary shares despite the fact that the gearing ratio of preference shares to ordinary shareholders' funds less intangible assets, exceeds 100%.

Provisions relating to prospectuses

49.-(1) Where the law requires a prospectus to be produced, an applicant or existing issuer shall ensure that the approved prospectus is available on the internet and that at least ten copies are available for public inspection at an address during normal working hours on every business days for at least one month from the authority approving any such prospectus.

(2) Despite the fact that approval of any prospectus is a matter of the Authority, the DSE shall co-operate fully with the Authority and by submitting a draft prospectus to the Exchange an applicant or existing Issuer consents to full exchange of information and dialogue between the Authority and the Exchange for regulatory purposes.

(3) Whilst a legally approved prospectus may ordinarily contain sufficient information for the relevant company's securities to be Admitted on the List, the DSE may impose such additional disclosure requirements upon an applicant as it sees fit to ensure an orderly market in those securities prior to Admission on the List.

Fulfilment of requirements

50.-(1) Prior to an Admission on the List becoming effective, the Chief Executive Officer must have confirmed to the Board that all requirements relating to the prospectus and the issue of securities for which Admission on the List is sought have been fulfilled by an applicant.

(2) The applicant's reporting accountants and auditor must avoid conflicts of interest.

Listing Fees under MIMs

51.-(1) An applicant for listing and listed companies shall pay such application, initial and annual fees as shall be laid down by the Board from time to time in accordance with the First Schedule.

(2) The applications for listing shall be processed within a period of forty five (45) days to approval provided that, all other matters are managed smoothly and timely by other parties.

(3) An approved issuance shall be listed at the Exchange within three (3) from the date of approval.

(4) Unless listed within six (6) months from the date of approval, an Issuer shall be required to submit a fresh application with an updated prospectus as regards the company's financials and other information.

(5) A re-application for listing made under sub-rule (4) above shall be accompanied with an application fee if made twelve (12) months or beyond after the date of the first approval.

Admission on

52. Admission on the List of any securities shall become effective

the List after all procedures and substantive requirements have been complied with and an official notice to that effect has been issued by the Board.

Continuing Listing Obligations

53.-(1) An Issuer shall comply with the continuing listing obligations set out in the Third Schedule.

(2) An Issuer with their primary quotation on the List shall seek the permission of the Exchange before applying to List on another stock exchange.

(3) Every Issuer shall establish an Audit Committee consisting of at least three directors. The Chairperson of the Audit Committee shall be an independent and non-executive director and at least one of the members of the Audit Committee shall hold a professional qualification in audit or accounting and of good standing.

(4) An Issuer shall notify the Exchange of any price sensitive information which could materially impact the price of its securities at the Exchange and shall without delay, release an announcement providing details relating directly or indirectly to such Issuer that constitute price sensitive information other than those contained in published quarterly results.

(5) In case the price sensitive information is to be kept confidential for a limited period of time, an Issuer shall, immediately upon realising that the price sensitive information and the necessary degree of confidentiality may be or may have been breached; publish a cautionary announcement.

(6) For the purposes of sub-rules (4) and (5) above and in relation to what is provided in the Third Schedule; price sensitive information includes but not limited to situations where expected quarterly performance is below twenty five per cent (25%) compared to the previous period performance projected during the period.

(7) An Issuer shall all the time comply with its dividend policy as set out in the Issuer's prospectus or as approved by the shareholders during the shareholders general meeting, whenever paying dividends to the shareholders.

Market abuse and manipulation

54. An Issuer, its directors or their connected persons shall avoid any practice considered to be a market abuse under the Act.

Disciplinary measures

55.-(1) Where an Issuer is in breach of these Rules, it may be-

- (a) fined;
- (b) censured;
- (c) have the fact that it has been fined or censured published;
- (d) suspended or cancelled pursuant to Rules 57 and 58;
- (e) its securities may be traded only on the Non-Compliant Board in conformity with these Rules.

(2) In circumstances where disciplinary action is published under this Rule, the Issuer may be charged the costs of publication.

(3) For the purposes of this Rule, an Issuer shall be deemed to be a Member of the Exchange and the same disciplinary procedures shall apply as set out in Part III of these Rules.

Non-Compliant Board

56.-(1) Where an Issuer is in breach of its continuing listing obligations, the DSE may decide to place it on a separate trading segment for a maximum period of twelve months.

(2) The segment under Rule (1) shall make clear that the Issuer is in breach of the DSE's continuing listing obligations and if it fails to comply within twelve months it shall have its Admission on the List cancelled and there shall be no market for its stocks.

(3) Prior to dealing in securities under this Rule an LDM shall disclose these risks to any underlying clients.

Suspension of Admission on the List

57.-(1) The Board may at any time and in such circumstances as it deems fit suspend or cancel an Admission on the List in order to protect investors and to ensure an orderly market.

(2) Suspension under sub-rule (1) above may be either with or without the request of the Issuer.

(3) Any request under sub-rule (2) shall be made to the Chief Executive Officer by the Issuer's sponsoring Member or in exceptional cases by the Issuer itself.

(4) Where an Admission on the List has been suspended, the procedure for lifting the suspension shall depend on the circumstances and the Board reserves the right to impose such conditions as they consider appropriate.

Cancellation of Admission on the List

58.-(1) The continuation of a suspension for a prolonged period of more than six months without the Issuer taking adequate action to obtain restoration may result in the Exchange cancelling the Admission on the List.

(2) In some cases the Admission on the List may be cancelled without suspension intervening, for example if there is a significant change in the Issuer's shareholding structure rendering it unsuitable for Admission on the List.

Resolution of issues

59.-(1) All matters concerning listings shall be addressed by a sponsoring Member to the Chief Executive Officer provided that when a matter has to be determined by the Board, the sponsoring Member may be accompanied by the representatives of the Issuer and other advisors any of whom may address the Board.

(2) The Board reserves the right to limit the number of persons involved in hearings under this Rule.

PART V

LISTING RULES FOR THE ENTERPRISE GROWTH MARKET SEGMENT (EGMS)

General provision

60. An applicant for the EGMs shall comply with all relevant legal and regulatory requirements to produce a valid prospectus as a condition of obtaining admission to the EGMs.

Approval procedure

61.-(1) Securities shall not be admitted to the EGMs without a written approval of the Exchange.

(2) Admission to the EGMs may be made subject to such conditions as the Exchange deems necessary to protect investors.

Nominated Advisor

62. A Nominated Advisor shall be in possession of such licences as are required by the Authority and has been admitted as a Non-Dealing Member of the DSE.

Requirement for
Nominated Advisor

63.-(1) An applicant for Admission on the List under the EGMs shall appoint a Nominated Advisor to sponsor its application by executing a contract for the appointment of a Nominated Advisor in a manner set out in the Seventh Schedule.

(2) The Nominated Advisor shall perform all the following duties-

(a) After carrying out due and careful enquiry, he shall confirm to the DSE that the applicant:

(i) is suitable for admission on the EGMs and in particular that the applicant will not endanger the reputation or integrity of the EGMs;

(ii) has established procedures which provide a reasonable basis for its directors to make proper judgements as to its financial position and prospects; and

(iii) has directors who understand the nature of the

responsibilities they shall be undertaking in respect of an Issuer which is admitted on the EGMs.

- (b) the Nominated Advisor shall agree to-
 - (i) liaise with the DSE about any matters arising in connection with the applicant and submit all necessary documents to the DSE;
 - (ii) continue to advise the Issuer for as long as it remains as the nominated advisor during the application process and at all times thereafter following an Issuer's admission on the EGM; and provided it is satisfied that the Issuer is not a danger to the reputation or integrity of the market;
 - (iii) inform the Board in writing immediately upon its resignation or dismissal as a Nominated Advisor to the Issuer.
 - (iv) the duties of a Nominated Advisor under this Rule shall be owed exclusively to the DSE.

Sponsoring broker

64.-(1) Companies applying for listing under the EGMs shall also have a sponsoring broker who is a member of the DSE.

(2) In case the sponsoring broker is part of the same organisation with the nominated advisor, procedures shall be in place to avoid possible conflict of interest.

(3) The role of the sponsoring broker in the EGMs shall include-

- (a) finding prospective investors for the applicant's shares;
- (b) preparing and accompanying the company for the road shows and promote its shares to investors;
- (c) trading in the secondary market; and
- (d) providing research on the company.

Application for Admission on the EGMs List

65.-(1) An Applicant for the EGMs shall submit an application by filling in an application form as set out in the Second Schedule.

(2) The application shall be accompanied by an undertaking from its Nominated Advisor as set out in the Eighth Schedule.

(3) In signing the undertaking the Nominated Advisor warrants that he has considered and documented the matters set out in the application form.

Documents to be submitted with an application for listing on the EGMs

66. When applying for the EGMs the Nominated Advisor shall furnish the Exchange with the following documents-

- (a) ten printed copies of the draft of the prospectus submitted to the Authority and subsequently printed copies of any final approved document marked up to show changes from the first

draft submitted;

- (b) three copies of the applicant's memorandum and articles of association (and any proposed alterations to be made to them prior to admission on the EGMs);
- (c) a CD/USB key or other electronic media with a copy of all of the documents under paragraph (a) and (b) above in electronic form; and
- (d) In case the company is in operation for more than one year, copies of management accounts or audited accounts (whichever is applicable).

Transferability of Securities

67.-(1) The securities for which admission on the EGMs is sought shall be freely transferable.

(2) In exceptional circumstances approved by the Exchange an applicant may take power to disapprove the transfer of shares provided that such powers do not disturb the market.

A company's period of existence

68. An applicant for the EGMs shall not be required to have any period of existence prior to application.

Distribution of shares

69.-(1) At least 20% of distributed shares shall be in the hands of the public.

(2) For purposes of this Rule in public hands excludes holdings by major shareholders, directors and connected persons.

Fully paid up shares and Rights Issues

70.-(1) Shares shall be fully paid up prior to their admission on the EGMs.

(2) Right Issues shall be fully paid on the books closure date which shall not be later than three months from the admission date, or as may be agreed by the Exchange.

(3) Securities issued by EGMs Companies representing rights to subscribe to ordinary shares may be admitted to the EGMs but only where these rights are renounceable in favour of other parties and are convertible into a class of security which shall be admitted on the EGMs.

Admission on the EGMs of Securities of the same class

71. Where the application for admission to the EGMs is made in respect of any class of Security the application must relate to all Securities of that class issued or proposed to be issued and in the event of further issues of that same class following admission on an Issuer's Securities to the EGMs, all such further issues must seek admission to the EGMs within one month.

Warrants or options to subscribe

72.-(1) In the absence of exceptional circumstances, the issue of options or warrants to subscribe equity must be limited to an amount equal

to 10% of the issued equity capital at the time the warrants or options are issued.

(2) Employee's share schemes shall not be taken into account for the purpose of limit under sub-rule (1) above.

(3) Where an application is made for options or warrants to subscribe, the terms of issue shall be such that the unit of dealing, whether trading separately, is an option or warrant to subscribe for one share.

(4) Where the terms of the subscription rights change (for example, on a capitalisation issue), the Sponsoring Member must ensure that the officially published quotations continued to be based on the right to subscribe for one share.

(5) The terms for the exercise of options or warrants to subscribe shall not be capable of variation or suspension at the discretion of the issuer or of its directors.

(6) Notwithstanding sub-rule (5) of this Rule, the terms for the exercise of option or warrant may contain specific arrangements for variation in the subscription price or number of shares to take account of alterations to the share capital of the applicant.

Options or Warrants
not accompanying
other Securities

73.-(1) In general, where application is made for admission on the EGMs of options or warrants to subscribe or purchase securities, not being options or warrants accompanied by other securities, the Exchange may apply the same requirements as would apply to the securities to be subscribed or purchased.

(2) Where an application under sub-rule(s) is contemplated, the Exchange shall be consulted at an early date as to the requirements which will apply.

Exchangeable or
convertible Securities
Warrants or Options

74.-(1) Securities convertible or exchangeable into other class of Securities or options or warrants to subscribe or purchase such other class may be admitted on the EGMs only if that other class of securities is or may become at the same time-

- (a) a class of securities already Admitted on the List; or
- (b) a class of securities traded on another regulated, regularly operating, and recognised open market.

(2) The Exchange may admit on the EGMs such securities, options or warrants other securities if they are satisfied that holders have the necessary information available to form an opinion concerning the value of the underlying securities to which such securities, options or warrants relate.

Period Moratorium

75.-(1) In the case of an applicant for the EGMs having less than a three year track record, its promoters shall be locked-in for a period of three years from the date of admission on the EGMs.

(2) For the purpose of this Rule, “locked in” means that the promoters shall not be allowed to dispose of any interest in the Securities.

Admission on the Official List of preference shares

76.-(1) A company applying for a listing of preference shares shall meet the following criteria-

- (a) have obtained an Admission on the List of any securities into which the preference shares are convertible.
- (b) ensure that the total amount of preference shares of the applicant must not exceed 100% of shareholders’ funds less intangible assets.

(2) This Rule shall not be deemed to exclude an application for the admission on the official list of preference shares in circumstances where the securities in question are unconditionally and irrevocably guaranteed by the Government.

Listing Fees under EGMs

77. All applicants and Issuers shall pay such application, initial and annual fees shown in the First Schedule and as shall be laid down by the Board from time to time in accordance with these Rules.

Continuing Listing obligations to be observed

78. An Issuer on the EGMs shall comply with the continuing listing obligations set out in the Third Schedule.

Market abuse and manipulation

79. An Issuer on the EGMs, its directors or their connected persons shall avoid any practice which may create a false market and may not directly or indirectly participate in any operation which shall have a similar result.

Requirement to retain a Nominated Advisor

80.-(1) An Issuer on the EGMs shall be required to retain a nominated advisor at all times when the company is listed on the EGMs.

(2) Where an Issuer does not have a Nominated Advisor, the Exchange may suspend trading in its Securities on the EGMs and consider placing the Securities on the Non-Compliant Board.

Disciplinary measures and procedures

81. The disciplinary measures and procedures under Rule 55 shall apply in respect of Nominated Advisors and EGMs Issuers as for LDMs and companies admitted to MIMs respectively, and the same appeals process shall apply.

Suspensions and cancellations

82. The same procedures in respect of suspensions and cancellations shall apply in respect of EGMs Issuers as for companies admitted to MIMs respectively and the same appeal process shall apply.

Migration to the MIMs

83. Companies listed on the EGMs may apply to migrate to the MIMs when they meet listing requirements for the MIMs.

PART VI
LISTING RULES FOR DEBT SECURITIES

Approval of the Board

84.-(1) Corporate debt securities shall not be admitted without the written approval of the Board.

(2) Admission of debt securities may be made subject to such conditions as the Exchange deems necessary in order to protect investors.

Conditions to be fulfilled by an applicant

85.-(1) An application for listing of any other type of debt securities shall fulfil the following requirements-

- (a) if the aggregate nominal value of the debt securities is not fixed, a statement to that effect together with the nature, number and numbering of the debt securities and the denominations shall be provided;
- (b) particulars of the securities and summary of the rights conferred on the holders;
- (c) where debt securities are issued by way of conversion or replacement of debt securities previously issued, a statement of any material differences between the securities for the old debt securities and the securities for the new debt securities;
- (d) except in the case of continuous issues, the issue and redemption prices and nominal interest rate shall be provided; if several interest rates are provided for, an indication of the conditions for changes in the rate;
- (e) procedures for the allocation of any other benefits accruing to the security and the method of calculating such benefits;
- (f) arrangements for the amortisation of the debt, including the repayment procedures; and
- (g) currency of the debt; if the debt is denominated in units of account, the contractual status of such units.

(2) An Issuer for listing of a convertible debt instrument shall be required to list securities into which they are convertible prior to listing a convertible debt.

Admission on the List of Debt Securities

86.-(1) An Issuer applying for admission on the List of debt securities shall meet the following criteria-

- (a) where the debt security is convertible into equity, it must have already obtained an Admission on the List of the underlying equity;
- (b) it offers at least an amount of Tanzanian Shillings one billion issued debt capital of the class to be admitted on the list but the Board may list securities of a lower value provided that it

is satisfied that adequate marketability of the securities can be expected;

- (c) further issues of securities of a class already Admitted on the List are not subject to these limits;
- (d) its total debt capital does not exceed 100% of shareholders' funds less intangible assets; and
- (e) it enters into a contract with the Exchange on such terms as the Exchange may require for the protection of bondholders.

(2) Paragraphs (a) and (c) of sub-rule (1) of this Rule shall not be deemed to exclude an application for the Admission on the List of debt securities in circumstances where the securities in question are unconditionally and irrevocably guaranteed by the Government.

(3) The Board, where in its opinion such a course of action may be justified, may impose such terms and conditions as it deems appropriate, for an Admission on the List of debt securities-

- (a) without prior Admission on the List of the underlying equity; and
- (b) notwithstanding the fact that the gearing ratio of total debt-capital to shareholders funds less intangible assets, exceeds 100%.

(4) Except in the case of continuous issues, an indication of coupon and the method whereby that coupon is calculated shall be described in a summary form.

(5) The documents which must be filed in support of an application for bonds, debentures and debt securities shall be similar to those required in support of an application for ordinary shares as outlined in these Rules, except that the following additional information should be included:

- (a) full title of issue;
- (b) a certificate or copy of the document constituting the debt capital including all relevant details;
- (c) any special legislation under which the debt securities have been created;
- (d) details of any assets which may be used as security for the debt;
- (e) final repayment date and any earlier repayment dates;
- (f) date from which interest becomes payable and the due dates for interest;
- (g) details of any guarantee of or surety for the payment of principal or interest amount including a copy of the proposed contract with a guarantor where applicable;
- (h) names, function, description and head office of the trustee or

other representative of the debt security holders;

- (i) the terms of the trusteeship or representation including a copy of the proposed trustee agreement and a proposed contract with a guarantor (where applicable).
- (j) summary of clauses subordinating the debt to other debts of the Issuer already contracted or to be contracted.
- (k) indication, where necessary, that the subscriptions may be reduced.
- (l) possibility of early closure of the period during which the issue or offer of securities (except in the case of continuous issues) shall remain open after publication of the prospectus or information memorandum.
- (m) an electronic copy of the register of bondholders from the Issuer's bond registrar in the format specified by the Exchange, at the allotment date to be provided to the Exchange seven days prior to admission.

(6) Where Admission on the List is sought for fixed income securities; particulars of the profits cover for interest and of the net tangible assets, the interest rate, if not already indicated above, must be stated.

(7) Where, for any reason, one or more of the documents mentioned under this Rule cannot be produced, a statement for non production of that document shall be submitted.

Application procedure
for Government and
other legal persons

87.-(1) The requirements under this Rule apply to debt securities issued by:

- (a) the government or bank of Tanzania;
- (b) other legal persons whose debt securities to be issued are unconditionally and irrevocably guaranteed by Government; and
- (c) other statutory bodies.

(2) In the case of securities issued pursuant to paragraph (a) of sub-rule (1) of this Rule, the Exchange approval for listing shall not be required.

(3) In all other cases, an application shall be submitted to the Exchange by filling in an application form specified in the Second Schedule, together with the following documents for approval by the Exchange, at least five days prior to the intended listing:

- (a) ten copies of the listing particulars or equivalent offering document, formal notices and in the case of issues by Issuers falling under paragraphs (a) and (c) of sub-rule (1) of this Rule any other document intended for publication by the Issuer or on its behalf;
- (b) ten copies of any application form to purchase or subscribe

securities;

- (c) evidence of approval by the Authority, and
- (d) a CD/USB key or other electronic media with a copy of all the documents under this Rule in electronic form.

(4) In the case of issues other than debt securities issued by Government, the following documents shall also be lodged with the Exchange-

- (a) an application by the issuer for admission to the list in the form set out by these rules signed by a duly authorised official of the issuer;
- (b) an application by the sponsoring LDM, if any;
- (c) payment of the appropriate fee for admission on the list and, where relevant, the annual fee;
- (d) ten copies of the listing particulars or equivalent offering document satisfying all the requirements for the contents of such documents one of which shall be dated and signed by a duly authorised official of the Issuer or by his agent or attorney authorised in writing;
- (e) where any document referred to in paragraph (d) above is signed by an agent or attorney, a certified copy of his authority;
- (f) a copy of any consent, order or resolution authorising the issue; and
- (g) a CD/USB key or other electronic media with a copy of all under this Rule documents in electronic form.

(5) The contents of the listing particulars applicable to bodies falling under this Rule must reflect the general requirements of listing particulars with modifications and exceptions appropriate to the circumstances.

(6) Where an application is made for the admission of securities by the Government or a body corporate falling under this Rule and listing particulars are required, admission shall not be granted unless the listing particulars or equivalent offering document has first been published in the manner referred to in sub-rule 7 below.

(7) Save as permitted by the relevant Committee, listing particulars or equivalent offering document may not be circulated or made available publicly, unless it has first been published as required by this Rule.

(8) Notwithstanding sub-rule (7) above, circulation of draft listing particulars or equivalent offering document is permitted if it is clearly marked as such, for the purposes of arranging an underwriting.

(9) The minimum requirements regarding publication are-

- (a) where the listing particulars or equivalent offering document

are not published in full in a local daily newspaper, a local newspaper must carry a formal notice;

- (b) where the listing particulars or equivalent offering document are published in a newspaper they must be accompanied by a statement that they are available at specific addresses;
- (c) a notice in a local daily newspaper of general circulation must state at least the following:
 - (i) the name of the Issuer;
 - (ii) the amount and title of the securities for which admission on the List is sought;
 - (iii) the name of any guarantor of the principal or interest on such securities;
 - (iv) in the case of a fixed-income security with a facility to issue further tranches of the security, the total amount of the security which could be issued under such an arrangement; and
 - (v) the name of the sponsoring LDM, if any.

Contents of an
Offering Document

88. An offering document of the Government securities shall contain-

- (a) the full name of the issue, including where applicable coupon and maturity date;
- (b) a statement that - "these securities shall be Admitted on the List";
- (c) the amount and title of the securities for which Admission on the List is sought; and
- (d) such other information as may be deemed appropriate by the Government or the Bank of Tanzania.

Fees for debt
securities

89. Applicants and issuers shall pay such application, initial and annual fees shown in First Schedule or as shall be laid down by the Board from time to time in accordance with these Rules.

PART VII DIVISION I GENERAL EQUITIES TRADING RULES

Eligible Securities

90.-(1) Securities Admitted to the List and such other public securities specified by the Exchange shall be traded on DATS and shall be verified, cleared and settled through the DSE CSD in accordance with these Rules.

(2) With regard to Securities of Issuers representing rights to subscribe to ordinary shares Admitted on the List of the Exchange where these rights are renounceable in favour of other parties and are convertible into a class of security which has already been Admitted on the List, these may be traded on DATS prior to the closure of the offer.

Persons permitted to Trade

91.-(1) Only DATS Traders are permitted to trade on DATS.

(2) LDMs shall ensure that their ADRs or DATS Traders comply at all times with these Rules and circulars from the Exchange. Any failure to comply with any such Rules may result in a disciplinary action by the DSE.

(3) An ADR or DATS Trader shall not transact any business for any LDM other than the one in respect of which approval has been sought and granted by the Exchange.

Attendance at trading sessions

92.-(1) Each LDM shall have at least one DATS Trader present for the duration of each trading session.

(2) DSE shall monitor the market during each trading session.

(3) No unauthorised person shall be permitted access to DATS.

(4) The Exchange shall have the discretion to refuse any person access to DATS except for the authorised staff of the Authority.

(5) Trading may continue provided a minimum of one LDM is represented and can access DATS and the DSE CSD.

Client Instructions

93.-(1) It is the responsibility of an LDM to ensure that they receive bona fide instructions from clients and that they have effective procedures for identifying the persons from whom they take instructions to effect transactions in accordance with these Rules.

(2) At no stage shall an LDM offer or bid for securities on behalf of a client unless he has a genuine request by a client and has completed the verification procedure in accordance with these Rules. The Market Official may require any LDM to prove that a genuine request exists and the LDM shall comply, except where an LDM acts as principal in accordance with these Rules.

(3) Subject to client instructions, LDMs shall use their best endeavours to buy and sell securities on the same trading day following the receipt of instructions from its client, if the Trading Session is open or if not at the next available Trading Session. An LDM must stamp client orders to denote time of receipt and acceptance and must submit client bids and offers to DATS promptly, for each security, for each individual order, in the order in which they were received.

(4) An LDM may be ordered by the Exchange to explain any of its actions.

(5) LDMs taking purchase orders from Institutional Investors shall ensure that such investors have in place financial arrangements, including bank guarantees, with a Custodian to ensure funds are available at the Clearing Bank prior to Settlement Time.

Trading as Principal

94.-(1) An LDM may trade as a principal.

(2) Orders executed on behalf of an LDM's Connected Persons shall be considered as principal orders in DATS.

Exchange Dealings

95.-(1) Every Trade transacted on DATS, whether for the account of the LDM or an LDM's client, shall be executed by the LDM in the name of the LDM and for the liability of the LDM, according to these Rules.

(2) All trades on DATS are final at the time of execution binding on both parties unless reversed within the settlement period when:

(a) the DSE reverses or cancels a trade at its discretion in accordance with Rule 96;

(b) an LDM may apply to annul a transaction. An application to annul a transaction on DATS shall not be accepted by DSE management, except:

(i) on a specific allegations of fraud or wilful misrepresentation; or

(ii) upon prima facie evidence of such material mistake in the trade as in their judgement; and in all cases of transaction under this sub-rule, the DSE shall require the consent of both parties to the trade.

Irregular Deals

96.-(1) The determination of irregular deals shall be concluded by the Market Official whose decision shall be final.

(2) Any Trade which in the opinion of the Market Official is irregular or is in contravention of these Rules or the law shall be reported immediately to management.

(3) If after an investigation an error is detected, the Exchange may take any action which it deems fit including the cancellation of the trade.

Trading Sessions

97.-(1) All trading must be conducted during trading sessions.

(2) Trading sessions shall be held on such days and times as the DSE shall determine from time to time by circular subject to approval by the Regulator.

(3) Market opening and closing times shall be established by the Exchange and may be different for each category of securities. No transactions shall be effected before the opening or after the closing.

(4) Securities shall be traded continuously every Business Day except as notified by the Exchange.

(5) Trading session of the Exchange shall be supervised by the Market Official.

Access to DATS

98. Access to DATS is limited to-

(a) DATS Traders;

(b) Authorised Exchange personnel;

- (c) The Authority; and
- (d) Any other person duly authorised by the Exchange.

System Failure

99.-(1) Failure in any of the systems installed in the Exchange for trading purposes shall be immediately reported to the Market Official who shall take the necessary action to suspend or close trading.

(2) Failure in any of the Bank of Tanzania inter-bank payment systems prior to completing settlement on any settlement day shall result in the Market Official taking the necessary action.

(3) Failure of any systems installed between remote DATS Traders and the Exchange shall result in the Market Official taking the necessary action but may only lead to suspension or closure of trading if all DATS Traders are excluded from the market.

(4) Every effort shall be made by the responsible parties, the DSE, Bank of Tanzania, the Authority, the system vendor and LDMS to resume an orderly trading.

(5) Under no circumstances shall the Exchange be responsible for damages arising from any such failure, error or defect in the system.

Ownership of Securities

100.-(1) The ownership of a security together with all its rights and interests in respect of which the transaction has been effected passes from the seller to the buyer at the moment of trade execution. For DATS trades, the time is sourced from the DATS system clock and for Pre-Arranged Trades it is the time concluded by the two counterparties.

(2) Following the close of the trading session, the Exchange shall pass the necessary entries in the registers of holders of the relevant securities maintained under the CSD to reflect the transactions effected during the trading session, with delivery of title in the CSD on Settlement Day.

(3) Between the trade time and Settlement Day, the buyer shall have a claim against the seller for securities bought on the Exchange and the seller shall have a claim against the buyer for the total consideration of the trade.

Short Selling

101.-(1) Short Sales are prohibited.

(2) DATS shall always be integrated to the CSD to determine the existence of Securities before trading is executed.

Validity of Bids and Offers

102. To be valid, bids and offers must be:

- (a) posted to DATS during the trading session;
- (b) visible to all Members generally and without discrimination and in the manner prescribed by these Rules.

Tick Sizes and Trade Ranges

103.-(1) Orders must be placed within the defined Tick Sizes as specified by the Exchange. Trades shall only be executed within the Trade

Ranges as set by the Exchange.

(2) The Exchange shall have the right to adjust Tick Sizes and Trade Ranges in the light of market conditions and shall publish such changes accordingly subject to approval of the Authority.

(3) Bids and Offers shall be posted into DATS in the minimum Tick Sizes set out under Ninth Schedule.

Division of Markets

104.-(1) The market for securities is divided into equity, debt and other securities segments as the Exchange may determine.

(2) The equity market is further sub-divided by size into-

- (a) Normal Lot;
- (b) Odd Lot; and
- (c) Block Trade.

(3) The debt market offers a Normal Lot market place.

Normal Lots

105.-(1) The Normal Lot size for each security is specified by the Exchange.

(2) The standard Normal Lot for equities is 10 shares, or multiples of 10 and is not dependent on the issue price of the security.

(3) Orders which are for less than 10 shares are executed on the Odd Lot board.

(4) The order size for Normal Lots in renounceable rights to subscribe to shares is 10 shares, or multiples of 10, and is not dependent on the issue price of the renounceable rights to subscribe to shares.

(5) The order size for Normal Lot for debt securities is dependent on the par value of the security.

Odd Lots

106.-(1) Odd Lots are lots numbering less than the minimum Normal Lot specified in Rule 105 above and shall be traded on the Odd Lot board. The Odd Lot board shall only accept orders that are less than the Normal Lot size. There shall be no limit on the number of Odd Lots which may be taken up by LDMs even when these collectively reach or exceed the Normal Lot.

(2) Odd Lot orders shall be submitted as limit orders and are visible in the order book. Odd Lot orders cannot be entered during pre-open and cannot be considered for execution during open-auction.

(3) Odd Lots are matched using the same Rules as Normal Lots.

(4) Odd Lots trades and are excluded from all market indices, last traded price and market capitalisation calculations.

Block Trades

107. The Exchange offers the following types of Block Trades-

- (a) Pre-Arranged; and
- (b) All or None (AON).

General requirements
for all types of Block
Trades

108.-(1) When an LDM receives either an order to buy or sell equities which qualifies as a Block Trade as defined in these Rules, or it receives a Pre-Arranged Trade, it shall make a request for approval to the Exchange before attempting to execute the instructions on DATS.

(2) If the Exchange decides that the proposed trade is of a size that exceeds the capacity of the Market, the Exchange may give permission to the LDM to approach other LDMs to attempt to match the bid/offer in whole or in part.

(3) On receipt of an approval from the Exchange, a Block Trade must be inserted on DATS by the end of the current or next trading session. The trade information will be further disseminated to all DATS users and external parties connected to DATS who are authorised to receive real time data in accordance with these Rules.

(4) All Block Trades must be submitted to DATS within three minutes of concluding the trade, (or three minutes after the Opening if the Block Trade is concluded after the Close on the previous day), or, receiving approval from the Exchange, whichever is the latest.

(5) All Block Trades are irrevocable (i.e., once an order has been placed it cannot be cancelled or changed except with special permission from the Exchange), unless cancelled by the Exchange under these Rules.

(6) Block Trades shall not be used for the purposes of updating indices, VWAP and the closing price but shall be included in the market volume statistics.

Pre-Arranged Trades

109.-(1) Pre-Arranged Block Trades shall be submitted to DATS by both LDMs with contra LDM codes as well as all other trade attributes required by DATS.

(2) Until both sides of the trade with corresponding contra LDMs have been entered, the Block Trade shall be deemed not to have been concluded.

(3) A match occurs when both parties have completed the entry accurately with the exact same information with one buyer and one seller and where the seller has sufficient unencumbered securities in their CSD account.

(4) If the seller does not have an adequate CSD balance the trade shall be rejected and shall remain unmatched. Any other discrepancies shall also leave the trade unmatched in DATS.

(5) In order to achieve price discovery, Pre-Arranged Trades shall be executed at the entered price.

Amendments of Pre-
Arranged Trades

110. Pre-Arranged Trades shall not be amended but may be cancelled by contra parties together with the agreement of the Exchange, or cancelled by the Exchange under these Rules.

Pre-Arranged Trades Life Time	<p>111. Unmatched Pre-Arranged Trades shall expire in DATS in 15 minutes or as configured by the Exchange from time to time, but may be re-inserted within the same trading session.</p>
Instruments	<p>112. Pre-Arranged Trades can be undertaken for any securities Admitted on the List.</p>
Visibility of Pre-Arranged Trades	<p>113.-(1) Pre-Arranged Trades shall have no pre-trade transparency on DATS terminals except to the LDMs involved in the transaction.</p> <p>(2) The trade shall be displayed in real time on execution to DATS users and to other subscribers to market data.</p>
Clearing the Order Book	<p>114. Pre-Arranged Trades shall have no interaction with the order book and shall not clear the order book.</p>
All or None (AON) Blocks	<p>115.-(1) An AON block is a discrete type of Block Trade for the auction of equities during a trading session separate from the Pre-Opening Auction.</p> <p>(2) An AON block shall rest on DATS for up to a maximum of 3 business days and in the event there is no match it shall expire.</p> <p>(3) The first AON block bid/offer sets the block size for the auction.</p> <p>(4) Only the best bid and offer for the AON block is retained on DATS.</p> <p>(5) At the end of the auction, the best bid and offer, defined by price shall be matched.</p>
Price Discovery Mechanism	<p>116. The price discovery for AON Block Trades is as follows-</p> <ul style="list-style-type: none"> (a) if both sides are entered, the initial price is the execution price; (b) if the bid is constant and the offer is bettered then the best offer price becomes the trade price; (c) if the offer is constant and the bid is improved then the best bid price is the trade price.
Bidding Constraints	<p>117.-(1) The block size shall remain constant throughout the auction process.</p> <p>(2) The initial bid or offer must be entered into the DATS. An LDM shall not better its own initial bid/offer. Subsequent orders from other LDMs must offer price improvement. Only following such price improvement, will the LDM making the initial bid or offer be capable of making further price improvement.</p> <p>(3) Once a side has been improved then only that side can be further improved, unless the initial improvement is reversed by the Exchange.</p>

Bidding Procedure	<p>118.-(1) The bidding process shall start after the initial bid and/or offer have been entered in DATS.</p> <p>(2) The AON auction shall be concluded at such time as specified by the Exchange.</p>
Amendments of AON Trades	<p>119. AON Trades cannot be amended or cancelled by LDMs.</p>
Price Constraints	<p>120. AON blocks do not have price constraints and do not interact with the DATS order books.</p>
Visibility of AON Trades	<p>121. The AON auction only disseminates the best bid and offer to LDMs. The execution will be reported on conclusion of the trade to LDMs and other consumers of market data in real time.</p>
Trading Phases	<p>122.-(1) The business day at the DSE for all securities Admitted on the List shall be divided into four phases as shown under Tenth Schedule.</p> <p>(2) The DSE shall have the authority to take such decisions as may be required to vary the above timetable. Any variation shall be published in a circular.</p>
Pre-Opening	<p>123.-(1) During the Pre-Opening, limit price orders can be entered, amended or cancelled. No trades shall take place.</p> <p>(2) The market status shall be displayed as ‘PRE-OPEN’.</p> <p>(3) DATS shall continuously calculate and disseminate the pre-opening order quantity imbalance to DATS Traders. Each new incoming order and each cancellation results in a recalculation. Price information shall not be displayed.</p> <p>(4) The following order types shall not be accepted by DATS during the Pre-Opening:</p> <ul style="list-style-type: none"> (a) Market Orders; (b) Fill or Kill (FoK); (c) Immediate or Cancel (IoC); (d) Odd Lot Orders.
Open Auction	<p>124. The opening auction is phase during which the Opening Price is established for all securities Admitted on the List.</p>
Opening Algorithm	<p>125.-(1) The Opening Price shall be calculated based on the following principles:</p> <p>(2) The Opening Price is the price level at which the greatest number of securities could be executed.</p> <p>(a) In case of a tie between many prices, the price at which the</p>

maximum number of shares are traded shall be the Opening Price;

- (b) Bids and offers do not have to balance in quantity for a successful open auction to occur;
 - (c) All trades executed during the Opening shall be executed at the Opening Price;
 - (d) Orders at the Opening Price may remain partially filled or unexecuted due to an imbalance in the bids and offers;
 - (e) If a security does not trade during open-auction the Opening Price shall be the first trade after the auction;
 - (f) Odd Lot orders are not considered for execution during open-auction;
 - (g) During open-auction the market status shall be displayed as 'AUCTION';
- (3) The following steps explain the algorithm:
- (a) Step 1: Establish Opening Price;
 - (b) Step 2: Match all possible orders using price and time priority at the Opening Price;
 - (c) Step 3: Match from the side of the market with the least orders against the side that fills most of orders above and below the price;
 - (d) Step 4: Orders at the Opening Price are satisfied on a pro rata basis as follows:
 - (i) Pro-rating takes place in blocks of 10 units (Normal Lot). For debt securities pro-rating shall take place according to its trading unit which shall depend on its par value.
 - (ii) Orders above 10 units shall be prorated in blocks of 10 units.
 - (iii) If demand cannot be met allocation shall be by time priority.
 - (e) All unmatched orders shall remain in the order book when the market opens retaining their price/time priority.

Continuous Trading

126.-(1) During continuous trading, orders that will not be immediately executed shall be queued for future execution in a prioritised queue based on price, capacity and time as follows:

- (a) *Price Priority*: The price of an order is the primary priority for execution. An order can be specified with a limit price or a market price. For both bid and offer, the higher priority price is defined as the better price, i.e., a bid at a higher price shall take priority over other bids at a lower price and an offer order

at a lower price shall take priority over other offers at a higher price.

- (b) *Capacity*: The capacity of an order is the secondary priority for execution. At a single limit price, orders of clients (agency orders) shall have precedence over those of LDMs and their employees (principal orders).
- (c) *Time Priority*: The time of entry of an order is the third priority for execution. When bids or offers are at the same price, the earliest one takes priority over those delivered later and matching takes place on a *First In First Out* (FIFO) basis. Orders entered in DATS shall be given a time stamp noting their actual date and time of entry. At a single capacity band (agency or principal) within a limit price, the earliest time of entry take priority in the queue.

(2) Based on the three priorities mentioned under sub-rule (1) above, during continuous trading prices shall be fixed and marched as follows:

- (a) If a new order (either a market or a limit order) matches a limit order in the order book, the price of the limit order initially in the order book limits the transaction price. The order book thus dictates the price.
- (b)
 - (i) If a new limit order matches a market order in the order book, the price of the newly entered limit order shall become the execution price.
 - (ii) If there is a limit order on the opposite side of the order book, in addition to the market order, and if this limit is more favourable for the new incoming limit order, the trade between the new limit order and the market order takes place at the favourable price (i.e., the price of the initial limit order).
- (c)
 - (i) Where two market orders are matched, the matching price is sourced from either the most recent traded price from the current trading session or where the security has not traded during the current trading session, the most recent closing price from previous trading sessions.
 - (ii) If there is a limit order on the opposite side of the order book, in addition to the market order, whose price is more favourable for the newly arrived market order than the reference price (last traded price), then the more favourable price is applied for the transaction between the two market orders.

(3) Unexecuted or partially filled orders remain in the order book unless they expire or are cancelled.

(4) Orders where the current disclosed volume is partially executed

shall retain the original time stamp;

(5) Where an order contains an undisclosed volume, a new time stamp shall be given at the time the undisclosed volume is rolled-in to the disclosed volume.

(6) Changing the terms of order may result in a new time stamp whether or not a new time stamp is assigned depending on the nature of the change to the order as per Rule 110 of these Rules.

(7) During Regular Trading, the market status shall be displayed as "OPEN".

Market Close

127. As the market is in the process of being closed, the market status shall be displayed on DATS as 'CLOSING'; when the market is closed, the market status shall be displayed as 'CLOSE'.

Closing Price

128.-(1) Closing Price shall be defined as the Volume Weighted Average Price (VWAP) of trades executed during the last one hour of trading (or such other time as may be configured by the Exchange from time to time) of the specified security: provided that at least 0.01% of issued shares of the security have traded per trading session of the day.

(2) If a security does not trade during the current trading session, the Closing Price shall be its previous closing price. Where a cross-listed security has not so traded, the DSE may deem the Closing Price as being the Closing Price from another market where the security may have traded most recently and in the largest liquidity levels.

(3) Where a security has remained untraded on any market for three consecutive Business Days, the normal applicable price constraint limits shall be removed.

(4) After close of trading, no activity can occur until the pre-opening begins on the next Business Day.

Posting Orders

129.-(1) Orders shall be entered to DATS by LDMs or their agents in accordance with the tick size rules.

(2) DATS trading terminals may be located in the LDMs offices or at the Trading Floor.

(3) All orders submitted to DATS are time stamped once validated. If it is technically valid, processing continues; if not, it is returned with the appropriate comment. No checks apart from those explicitly stated in these Rules shall be performed on order size or price.

(4) DATS shall maintain an order book for each board, where bids and offers are recorded with prices determined according to these Rules.

Order Validation

130.-(1) Orders shall be validated for correctness prior to being posted

on the order book in DATS.

(2) The following validation checks are included:

- (a) Valid Board Lot size;
- (b) Valid security code;
- (c) Trading status (listed, suspended or cancelled);
- (d) Price ranges i.e., a difference exceeding a configurable percentage of the previous closing price shall not be accepted;
- (e) Tick Sizes – shown on Table 1;
- (f) Valid client / LDM ID combination;
- (g) Volume within foreign investors limit Rules.
- (h) Check with CSD that the seller holds the required number of unencumbered securities.

(3) Orders that pass the validation checks shall be accepted by DATS. Accepted orders shall contain an Exchange allocated order ID, which shall be used for all future references to the order.

(4) If an order fails validation it shall be rejected.

(5) Orders shall not be valid until they are accepted by DATS.

Order Amendments

131.-(1) An LDM may change the terms of an order already entered in DATS in the following manner:

(2) If the security or the order type (bid or offer) needs to be changed, the order must be cancelled and re-entered.

(3) If any of the following changes are effected, a new time stamp shall be given to the order:

- (a) change in price;
- (b) increase in disclosed volume;

(4) If any of the following changes are submitted, the order shall keep its original effective time stamp:

- (a) decrease in disclosed volume;
- (b) changes in undisclosed volume.

Cancellation of Orders

132.-(1) An order may be cancelled as long as it had not been matched.

(2) During a trading session, LDMs may remove single orders, groups of orders, all orders, or the un-executed portion of an order from DATS.

(3) The Exchange may remove orders from the order book at any time at its discretion or exceptionally on instruction from LDMs and the Authority.

Order Log Book

133.-(1) All bids and offers shall be collected while they are still current and are set out in an order book which at least contains the following information:

- (a) a unique order number;
- (b) the date and time of receipt of the order;
- (c) the type of order (i.e., bid or offer);
- (d) the name or symbol of the Issuer;
- (e) the number of securities to be traded (split between disclosed and undisclosed volume).
- (f) the trading price and any pricing conditions.
- (g) the expiry condition of the order; if any.
- (h) the client ID.
- (i) the financial intermediary code, if applicable.
- (j) the counterparty, where applicable.
- (k) any other relevant information.

Types of Orders

134. There are two types of orders that can be submitted to DATS:

- (a) Limit Orders.
- (b) Market Orders.

Limit Orders

135. A Limit Order is an order in which the maximum bid price or minimum offer price is specified when it is submitted to DATS.

Market Orders

136.-(1) A Market Order is defined as an order to bid or offer a security at the best price or prices prevailing in the market at that point in time. Market Orders shall expire at the end of each trading session or such other time as defined in DATS, by the DSE management, from time to time, by circular.

(2) Market Orders have matching priority over Limit Orders.

(3) Market Orders shall be prevented from trading at extreme prices through a Protection Price in DATS.

(4) Market Orders shall not appear in the order book.

Protection Price

137.-(1) The Protection Price is the Touchline Price plus or minus the allowed configurable percentage variation for each equity security as defined by the Exchange from time to time, subject to approval of the Authority.

(2) The percentage variation allowed on the Touchline Price is a configurable percentage applicable to all securities. It is set at the discretion of the Exchange and shall be made known to the marketplace by way of circular.

(3) The Protection Price limits the possible price at which Market Orders can be executed.

Order Attributes

138. Orders shall have the following attributes:

- (a) Qualifiers;
- (b) Time in force;

- (c) Minimum fill quantity; and
- (d) Disclosed and undisclosed quantities.

Order Qualifiers	139. Order qualifiers modify the execution conditions of an order based on volume, time and price constraints.
No qualifiers	140. Orders shall be executed at a specified price or better. If a partial execution occurs the remainder shall be added to the order book and shall remain in the order book till executed, cancelled, amended or expired.
Fill or kill (FOK)	141. This principle requires the immediate purchase or sale of the whole specified quantity, at a given price or better. If the whole order cannot be filled immediately, it is killed. FOK orders shall not be entered into the Odd Lot section or captured by the system during pre-open. FOK orders are not visible in the order book.
Immediate or Cancel (ICC)	142. This principle requires immediate purchase or sale of a specified quantity at a specified price or better for all or part of the order. If no immediate execution occurs the order is cancelled. If an immediate partial execution occurs the remainder is immediately cancelled. IOC orders shall not be entered into the Odd Lot section or captured by the system during pre-open. ICC orders are not visible in the order book.
Time in Force (TIF)	143. Time in force choices limit the lifetime of an order in the book up to the limit specified by the Exchange. TIF orders are visible in the order book up to the expiration time.
Good till Cancelled (GTC)	144. In this principle, the order remains valid till cancelled or up to the number of market days specified by the Exchange. Only Normal Lot orders may contain GTC qualifier. GTC orders are visible in the order book up to the expiration time.
Good till Day (GTD)	145. In this principle, the order expires at the end of the specified trading day if unexecuted. Only Board Lot orders may contain the GTD qualifier. GTD orders are visible in the order book up to the expiration time.
Day Order (DAY)	146. A day order expires at the end of the current trading day if unexecuted. Day orders are visible in the order book up to the expiration time.
Minimum fill Quantity	147. -(1) A minimum fill quantity shall not be entered for Normal Lot orders. (2) A minimum fill quantity shall be specified on Odd Lot orders to enable Odd Lot orders to be executed in blocks of minimum fill.
Disclosed and Undisclosed Volumes	148. -(1) Each order shall contain a total volume, a disclosed volume and may include an undisclosed volume which is not shown to the market.

All disclosed volumes are visible to all LDMs and other parties authorised by the Exchange.

(2) For an order where disclosed volume is not specified, it is implicitly equal to the total volume.

(3) Undisclosed volume amounts are private, seen only by the LDM entering the order and other parties authorised by the Exchange. Disclosed quantities must be greater than 25% of the order size. Any undisclosed quantity is ignored at the time of order execution as it is not visible to the market.

(4) Subject to the time and price priority rules, an order is filled to the extent of the disclosed volume of the order.

(5) A complete fill of the original disclosed volume shall result in the full replenishment from the remaining order volume provided that sufficient undisclosed volume remains. Where insufficient undisclosed volume remains, the undisclosed volume shall expire.

(6) The disclosed quantity acts as the roll-in quantity upon the original order entry.

(7) Roll-in quantity shall not be changed except by changing the disclosed volume.

(8) A change in the disclosed volume shall not change the total or remaining volume.

(9) An increase in disclosed volume shall cause a new time stamp and change in queue priority.

(10) A decrease in disclosed volume shall not cause a new time stamp.

(11) A partial fill of the disclosed volume diminishes current disclosed volume without replenishment from the undisclosed volume.

(12) The total disclosed volume shall be traded before a new roll-in quantity is brought in from the undisclosed volume.

(13) Once the total disclosed volume is traded, another amount equal to the original disclosed volume shall be rolled-in with a new time stamp.

New issues Price
Discovery

149.-(1) The Opening Price for a new equity Admitted on the List is the initial public offer price.

(2) For the first trading session following Admission, the Exchange shall remove all Price Protections but reserves the right to take such actions as may be required in order to maintain an orderly market.

Trade Confirmation
and Cancellation

150.-(1) Executed trades may be cancelled either with the consent of the Exchange and mutual agreement of both LDMs or where the Exchange determines that the particular circumstances of that trade warrant its cancellation and only prior to settlement.

(2) Cancellations shall be made within the trading day before LDMs commits the trades.

Dissemination of
Market Information

151.-(1) DATS provides for the real time dissemination of market information as follows:

- (a) All pre-trade information shall be published on DATS and subscribers of market data except as otherwise provided below:
 - (i) The pre-trade information shall be published to the DSE website with a delay defined by the Exchange; and
 - (ii) Block Trades shall not be subject to pre-trade transparency requirements.
- (b) Pre-trade information shall include all attributes of an Order other than the counterparty.

(2) All post trade information shall be published on DATS and subscribers of market data immediately after it is entered into DATS.

Market Report

152. The DSE shall provide an official market report for circulation and publication in the press after each trading session containing the latest prices dealt in each security and any other information specified by the DSE from time to time.

Market Halt

153. The market can be halted at the discretion of the Exchange during the Pre-Opening and Continuous Trading either temporarily or completely. During a market halt the market status shall be displayed as “HALT”.

Security Halt

154.-(1) The Exchange may, at its discretion, impose a trading halt on a security, for such duration as it sees fit, in the following instances:

- (a) Prior to the announcement of price sensitive information;
- (b) To obtain a clarification from the Issuer on a rumour/report regarding the Issuer which has been brought to the attention of the Exchange;
- (c) When there is unusual movement in price/volume of a security; or
- (d) For any other reason where the Exchange has reason to believe a false market exists.

(2) The DSE may set circuit breakers for individual securities (known as trip percentages). When the price of a security exceeds the trip percentage, trading in the security is automatically halted.

Depository Updates

155.-(1) When sell orders are submitted to DATS, the Verification process is completed against CSD account records. If there are sufficient securities in the CSD account, the shadow balance shall be deducted. If the Verification process cannot be completed satisfactorily, sell orders shall be rejected by DATS.

(2) When buy orders are submitted to DATS, the Verification process checks if the buyer has a valid CSD account. If the Verification process cannot be completed satisfactorily, sell orders shall be rejected by DATS.

(3) CSD records shall be updated in real time following the execution of Trades in DATS.

DIVISION II BONDS TRADING RULES

Bond Pricing and
Accrued Interest

156. Prices quoted on DATS shall exclude accrued interest. The buyer shall pay the seller the price quoted plus any accrued interest up to and including the settlement day. The accrued interest amount shall be calculated by reference to the rate specified in the security and the number of days which have elapsed from the last payment date up to the settlement day.

Trading Ex-coupon

157.-(1) For the purpose of trading bonds, books closure for interest payments shall be the seventh calendar day (seventh day inclusive) before the actual bondholders register closure-date by the Bond Registrar.

(2) Bonds shall be traded ex coupon on the seventh day before the actual bondholders register closure-date.

Trading Ex-principal

158. Redeemable bonds shall be traded ex principal on the seventh day before the principal repayment date as applied under the ex-coupon Rule above.

DIVISION III MOBILE PHONES TRADING RULES

Mobile Trading
Procedures in Listed
Securities

159. (1) The following persons may be permitted to trade:

(a) Any Tanzanian national is allowed to trade through the mobile phone secondary market trading platform. Foreign Investors shall not be allowed to trade through USSD code based mobile platform.

(b) By registering to the mobile phone secondary market trading platform, an Investor guarantees to protect his system access credentials against other unauthorized individuals.

(c) Any order made through the registered phone number to the trading platform which fulfills all prerequisites will be considered legitimate and the owner of the telephone number will be responsible for the transaction and its related charges and consequences.

(2) The Electronic Securities Service Provider or Platform Host shall:

(a) ensure that the secondary market trading platform is available across all Mobile Phones Network Operators (MNO) through a uniform short code owned and operated by DSE.

(b) provide registration to all users of the secondary market trading

platform. Upon registration, users of the platform must be provided with login credentials for subsequent platform accesses. This will act as front line system verification for its users.

(c) ensure that users of the platform are authenticated by rejecting all accesses and requests made to the platform by un-registered clients and those who provide wrong identification credentials.

(d) keep detailed records of all accesses made to the platform including order and payments details for a period of not less than seven (7) years.

(e) facilitate the access to the trading platform of the DSE to an investor through the Licensed Dealing Members (LDMs/Brokers) of the Exchange. Complete orders (including Name of the Investor, CDS A/C number, Security or Company name, Quantity and Price) shall be forwarded immediately to Brokers. The Brokers shall be responsible for order execution and subsequent settlement and/or delivery of securities.

(3) LDM's or Brokers shall have the following Roles:

(a) LDMs shall be responsible for validation of all orders by ensuring that all parameters conforms to the Trading Rules of the DSE before authorizing the order to the ATS.

(b) Upon receipt of a complete order from the Platform Host, the Broker shall immediately carry out a complete Know Your Client (KYC) procedure.

(c) Orders which pass the KYC procedure shall immediately be submitted to the ATS for trading while orders that fail the KYC procedure shall not be processed and immediately reported back to the investor and in case it is a suspicious transaction, to the Financial Intelligence Unit. The KYC procedure shall include but not limited to identification and authentication of the person placing an order and genuineness of the order. In the case of selling orders, the Broker shall ensure where necessary he gets soft copies of documents confirming ownership of the securities being sold.

(d) Once the order is executed on ATS, on T+0 the Broker shall be required to inform the Client about the execution.

(e) On T+3 the Broker must confirm and ensure that settlement has been done accordingly including payments and or delivery of securities.

(f) On T+5 the Broker shall pass to the client the soft copy of the client's holdings report to confirm purchase and or sells of the securities.

(4) Trading Sessions:

(a) The Platform Host shall ensure that the system is available to users all the time to facilitate system access and placing of orders at user's convenient time.

(b) The duration and timing of DSE's trading session shall be the normal working days Monday to Friday from 10:00 to 15:00 hours or

otherwise as provided under the DSE Rules for the time being in force.

(5) Order Validation

(a) The Platform Host shall provide front line validation of orders whereby all accepted orders must have order quantity which is equal or greater than 10 shares with a minimum value of TZS 50,000 or face value of a bond.

(b) The Platform Host shall ensure that prices are within the 15% cap limit (up or down) of the previous closing price.

(c) The LDM shall provide a second line validation of all orders by ensuring that all parameters conforms to the Trading Rules of the DSE before authorizing the order to the ATS.

(6) Client's Order Instructions

(a) A client is allowed to place a buy or sell order which has a minimum value of TZS 50,000 or face value of a bond and a maximum value of TZS 5 million.

(b) An order received through a Mobile Phone Trading Platform shall be deemed to be active (good till cancelled) until otherwise advised by the client.

(7) Order Cancellations

A client wishing to cancel his order posted in the platform, must communicate his request to cancel the order to his chosen Broker by means of telephone calls, text messaging and or email communication.

(8) Trade Reports

On execution date T+0, the Broker shall notify the client about the execution by telephone and may provide the trade confirmation slips (contract note) to the client through email communication.

(9) Settlement

Settlement of all securities traded through the Mobile Phone Trading Platform shall follow the normal DSE's trading cycle of T+3 for equities and T+1 for bonds.

(10) System Failure

Where the Mobile Phone Trading Platform is not functioning for whatever reasons, the Platform Host must ensure the system is restored within the earliest possible time (not more than 24 hours) with no losses of client's data (order details and payment particulars).

Adherence to the
General Trading
Rules

160. In case of any uncertainties and misinterpretation that may rise from the use of these Rules, the general equity trading rules shall apply.

**PART VIII
DIVISION I
THE CENTRAL SECURITIES DEPOSITORY (CSD)**

161.-(1) The Companies Act requires the DSE to have Rules for appropriate custody of securities deposited into the CSD and further, such Rules are to be approved by the Authority.

(2) The deposit of securities into the CSD is voluntary, except for Issuers applying for an Admission on the List in which case it shall be obliged to deposit the securities in respect of the securities forming the subject of the application for listing.

(3) By depositing securities into the CSD, the delivery of the securities in settlement of DSE trades shall be achieved using electronic book entries in the CSD.

(4) The securities deposited into the CSD may be withdrawn, credited into or debited out of CSD securities accounts or pledged by the account holders.

(5) Issuers applying for Admission on the List or applying for deposit and/or dematerialisation of securities issued by them shall also request the issuance of an International Securities Identification Number ("ISIN") from the DSE as the National Numbering Agency in Tanzania.

(6) The holding of securities in the CSD account shall be subject to the Confidentiality Rules of the DSE. CSD Members shall be under obligation not to disclose any information on their principal or clients' accounts to third parties without written consent of the Exchange or the clients respectively.

(7) The CSD Members, Issuers of securities and clients of CSD Members shall enter into agreements in relation to CSD services in such forms provided under Eighteenth Schedule.

162.-(1) The CSD shall maintain and continuously update a register of existing securities holders and balance of their holdings in the CSD. The register of holdings of securities kept within CSD shall constitute the authentic and definitive record of the holdings in such securities and shall represent final legal title of ownership. Where any discrepancies exist between an external register of holdings outside the CSD and the CSD Register, the CSD Register shall be definitive.

(2) Securities deposited into the CSD shall be held in custody by the DSE in trust for the beneficial holders in the name of "DAR-ES-SALAAM STOCK EXCHANGE LIMITED AS CUSTODIAN".

(3) A transfer of securities into the CSD by a holder shall not convey any transferor's beneficiary interests over the securities deposited. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a depository.

(4) The CSD shall send electronically updated registers of securities holders to Issuers or their Registrar on monthly basis and on request.

(5) To inspect the Registers of Members, interested parties shall

contact the Issuer's Registrar and the Register shall be available for public inspection at the Issuers premises or any other premises designated by the Issuer during normal business hours.

Supplementary
criteria applying to
CSD Members

163.-(1) In addition to satisfying the requirements Part III of these Rules a CSD Member shall at all times satisfy the following requirements:

- (a) Complete the technical connectivity requirements of the CSD;
- (b) Enter into a standard Tripartite Agreement with the Clearing Bank and the DSE to facilitate settlement in a format issued by the DSE from time to time (sample CSD AGREEMENTS is set out Eleventh Schedule;
- (c) Submit an undertaking to comply with the CSD Rules in accordance with Twelfth Schedule;
- (d) Pay such entry and annual fees as may be laid down under Part XIII of these Rules or as may be set out by the Board from time to time.

(2) All CSD Members shall enter into Agreement(s) with the DSE in respect of their own as well as their clients' securities deposited in the CSD.

(3) No CSD Member shall be admitted to the CSD without obtaining a written approval of the Board.

CSD Accounts

164.-(1) CSD Members shall open CSD Accounts for any CSD eligible securities for themselves or their clients. CSD Accounts may contain:

- (a) Securities Admitted on the List;
- (b) Non-listed securities;

(2) Every client wishing to open a CSD Account shall provide required details to the CSD Member by completing and signing a CSD account application form [CSD 1(a) for individuals and CSD 1(b) for legal persons] as shown in Thirteenth Schedule.

(3) Accounts of LDMs and CSD Members shall contain the following basic information:

- (a) Name, address and code of the CSD Member;
- (b) Nationality;
- (c) CSD account number;
- (d) Banker's address and account number;
- (e) Name(s) of Securities deposited;
- (f) Securities code(s) and ISIN;
- (g) Quantities and description of securities held;
- (h) Amount of securities frozen for any reason;
- (i) where appropriate, client's reference number which shall be issued by the CSD Member.

Timetable of CSD
Events

165.- The CSD shall issue a timetable of activities to the market from time to time containing the following information:

- (a) Confirmation of payments from the Clearing Bank to the Exchange.
- (b) Start of Day - all CSD activities available.
- (c) END of Day.

Ledger Balance Report

166.-(1) On request by an LDM, the DSE shall produce and maintain a ledger balance report on all depository client accounts. The Report shall be in the form of a depository statement which shall contain the following information:

- (a) The name of the account holder;
- (b) The name and quantity of the securities held and any movements over the period requested;
- (c) Any holdings that may have been mortgaged, frozen or charged;
- (d) The securities available for transfer or settlement.

(2) The ledger balance report shall be available to all account holders through the CSD Members on request.

DIVISION II DEPOSIT OF SECURITIES INTO THE CSD DURING IPOS

Mandatory Immobilisation after the IPOS

167.-(1) Where an Applicant is undertaking an Initial Public Offer (IPO) to be Admitted on the List, all securities shall be immobilised from the launch of the IPO. The Issuer's Registrar shall deliver to the DSE a complete register on the closure of the IPO in the electronic format specified by the Exchange. Thereafter, transfers of securities Admitted on the List shall be processed through the Exchange's CSD.

(2) Investors who subscribe for securities during an IPO shall only receive immobilised securities in the CSD.

IPOS and other Securities Corporate Actions

168.-(1) An Issuer who intends to have securities Admitted on the List shall appoint a CSD Member as receiving agent.

(2) Allotment of securities pursuant to an IPO or a securities corporate action is the responsibility of the Issuer and its agent. All prospective allottees must have a CSD account prior to allotment by the Issuer being effected.

(3) CSD Members shall verify each client's account number to every application form submitted to the Issuers through them for the purpose of facilitating the operation of CSD accounts.

(4) After allotment, the DSE shall issue CSD Receipts to all account holders successful in the allotment through their CSD Members.

Immobilisation of Securities

169.-(1) The client shall deliver securities to the CSD Member together with a transfer form TD 1(a).

(2) The CSD Member shall provide the client with a receipt acknowledging that securities have been received for custody by the operator.

(3) The CSD Member shall verify the securities with the Registrar.

(4) The CSD Member shall lodge the securities together with the signed transfer form [TD 1(a) with the CSD (a)].

(5) The CSD Member shall complete a custody delivery confirmation slip [DSE 2(b)] in duplicate detailing all the documents delivered and present them to the DSE.

(6) The documents to be presented to the DSE with the custody delivery confirmation slip shall include:

- (a) Depository account application form;
- (b) Certificates for securities;
- (c) CSD deposit request form [CSD 2(a)] (where certificates are being deposited); and
- (d) Transfer form(s) [TD 1(a)] duly signed and verified.

(7) Upon the receipt of the custody delivery confirmation slip and the required documents, the DSE shall endorse a RECEIPT stamp on the custody delivery confirmation slip and the deposit request form where applicable.

(8) After the RECEIPT stamp has been endorsed by the DSE, the CSD Member shall retain a copy of the custody delivery confirmation slip and CSD deposit request form.

(9) The CSD shall issue a CSD Receipt [CSD 2(c)] in the name of the client whose certificates have been deposited and deliver the CSD Receipt to the client through the CSD Member.

(10) The DSE shall deliver the certificates representing immobilised securities together with the relevant documents to the Registrar who shall issue a Block Certificate in the name of the DSE as CUSTODIAN.

Effecting Transfer of
Ownership of
Securities

170.-(1) On Settlement Day, the CSD shall transfer the ownership of traded securities in the book entry form by debiting the selling clients' CSD account and crediting the buying clients' CSD account with the same volume of the securities traded.

- (a) All transfers shall be undertaken internally through the CSD by electronic book entry transfer, without sending transfer forms to the Registrar.
- (b) The Registrar shall be required to provide the DSE with all dates pertaining to corporate actions.

(2) A mortgage of Securities does not in itself change beneficial ownership and the existing owner shall be entitled to all benefits accruing thereon such as dividends, interests, bonus shares, rights and voting.

DIVISION III
WITHDRAWING CERTIFICATES FROM THE CSD

Withdrawal of
Securities

171.-(1) Where the Memorandum and Articles of Association of an Issuer so permits, CSD account holders who have securities deposited by Issuers at the DSE, may, withdraw those securities for custody of their own choice subject to payment of the relevant withdrawal fees under these Rules.

(2) Once a request for withdrawal of securities has been made, no dealings in those securities shall take place.

Withdrawal procedure

172.-(1) A client who wishes to withdraw securities from a CSD account shall complete and sign a Withdrawal Request Form provided under the Thirteenth Schedule. A separate Withdrawal Request Form shall be completed for each security to be withdrawn from a CSD account.

(2) The CSD Member shall verify that a client who has completed a Withdrawal Request Form holds the respective securities in the relevant account and in sufficient quantities to cover the volume of securities which are the subject of withdrawal.

(3) Complete Withdrawal Request Forms and respective Transfer of Shares From DSE Custody Forms [TD 1(e)] duly signed shall be delivered by the CSD Member to the DSE before 16.00 hours in order to be effective on the same Business Day.

(4) If there is any error on the Withdrawal Request Form, the DSE shall inform the CSD Member to effect a correction and re-submission.

(5) Upon receipt of a duly completed Withdrawal Request Form, the DSE shall freeze the portion of securities to be withdrawn within the account.

(6) After freezing the portion of securities to be withdrawn, the DSE shall complete the Transfer Form provided under the Thirteenth Schedule and present it to the Registrar together with the related Block Certificate.

(7) The Registrar shall within fourteen Business Days issue an adjusted Block Certificate in the name of the DSE less the quantity of securities withdrawn and another certificate for the withdrawn securities in the name of the withdrawing CSD account holder.

(8) The Registrar shall send to the DSE the adjusted Block Certificate and the certificate in the name of the CSD account holder which shall immediately after receipt of the certificates, debit the CSD account of the withdrawing client and present the certificate in the name of the client to the respective CSD Member for onward delivery to the client.

(9) A CSD Member who receives a certificate withdrawn by a client from the CSD shall acknowledge receipt of the certificate by signing a DSE delivery confirmation slip.

(10) Any error or discrepancy in a certificate shall be immediately reported to the DSE by the CSD Member.

DIVISION IV MORTGAGING OF SECURITIES

Mortgaging of
Securities

173.-(1) The lender is responsible for the continuous assessment of the quality of collateral value to support a loan.

(2) Only immobilised securities which have been Admitted on the List, may be mortgaged as collateral to a lender by a borrower and shall be recorded through book entry in the CSD by a CSD Member. For the purposes of this Rule, lenders shall only be legal persons.

(3) Securities mortgaged as collateral at the CSD shall not be traded and CSD Members shall inform their clients that while they are so encumbered they shall not be tradable or transferable.

Mortgaging procedure

174.-(1) A CSD account holder wishing to mortgage securities deposited in the CSD as collateral shall approach a CSD Member who shall provide a DSE Mortgage Request Form [Form MR 1] and the Mortgage Transfer of Shares Form [TD 1(c)] provided under the Thirteenth Schedule.

(2) The CSD account holder shall complete and sign the MR1 form in triplicate and sign the Mortgage Transfer of Shares Form [TD 1(c)] and deliver the forms to the lender and obtain the lender's signature.

(3) After obtaining the lender's signature, the borrower shall, through the CSD Member, deliver the forms to the DSE for STAMPING which shall be distributed to both the borrower and lender through the CSD Member.

(4) The CSD shall make entries to the borrower's CSD Account to record the mortgaging of the relevant securities, flagging them accordingly.

Access to Collateral
by the Lender

175.-(1) The lender may request the borrower to deposit more securities as collateral in the event that the value of securities pledged reduces.

(2) The lender may seize mortgaged securities deposited in the CSD by submitting a written request to the DSE.

(3) A lender shall, through a CSD Member, submit to the CSD a request to seize the securities mortgaged as collateral which shall consist of:

(a) A Mortgage of Shares Transfer Form [TD 1(c)] duly signed in blank by the borrower;

(b) A CSD Depository Account Application Form (if account does not exist); and

(c) A copy of the Mortgage Request Form.

(4) The CSD shall make debit the borrower's CSD account and credit

the lender's CSD account.

(5) The CSD Member shall inform the borrower on the seizure of the mortgaged securities.

Mortgage Release

176.-(1) To release the collateral, the borrower shall complete and sign the DSE Mortgage Release Form (Form MR 2) in triplicate and shall deliver the Mortgage Release Forms [MR 2] to the lender for signature before delivering them to the DSE through the CSD Member.

(2) The CSD Member shall, deliver the Mortgage Release Forms to the DSE together with a copy of the Mortgage Request Form that registered the collateral at the CSD and shall make entries in the CSD to release any specified amount of securities mortgaged as collateral back to the borrower's account.

(3) After the entries have been made, the DSE shall deliver, through the CSD Member, duly stamped copies of the Mortgage Release Forms (MR 2) to the borrower and lender.

(4) Upon release of a mortgage, the lender shall surrender to the borrower Form TD 1(c) originally executed by the borrower to facilitate collateral.

DIVISION V SETTLEMENT OF TRADES

Settlement of Trades

177.-(1) The buying LDMs shall not post a buy order to buy securities before they have received payment or payment confirmation on or before the settlement date from their buying clients.

(2) Failure to receive payment or payment confirmation from buying clients shall lead to a failure to settle payments for confirmed trades.

(3) Custodian Banks may settle foreign investors' and domestic institutional investors' trades without transferring the funds to LDMs

(4) Trades executed at the DSE are settled on T+1 for all bonds and T+3 for other securities. Each Trade is settled separately. The DSE CSD System will debit the CSD account of the seller and credit the CSD account of the buyer.

(5) On T, the Exchange shall provide the LDMs and CSD Members with the Trade Confirmation Report, showing payment obligations / receipt for each LDM / CSD Member. Each LDM and CSD Member shall carefully review the Trade Confirmation Report to ensure that the details of trades have been captured correctly. Any error shall be communicated to the DSE on T. Failure to do so imply acceptance and liability by the LDM and CSD Member.

(6) Each LDM / CSD Member shall ensure that sufficient cleared funds are available in their clearing account with the Clearing Bank on

Settlement Day but prior to Settlement Time. The DSE will instruct the Clearing Bank, one day prior to the Settlement Day of the net payment / receipts to be effected by the Clearing Bank on behalf of the LDMs and CSD Members. The Clearing Bank shall confirm to the DSE that the payment instructions have been effected.

(7) After receiving confirmation from the Clearing Bank that all payment instructions were successfully completed, within five minutes of receiving such information, on Settlement Day, the DSE shall transfer ownership of securities in its book-entry records by debiting the CSD accounts of the selling clients and crediting the CSD accounts of the buying clients.

(8) Management shall have powers to change the settlement time by issuance of a circular to that effect.

Default procedures

178.-(1) If a trade fails to settle on Settlement Day due to insufficient securities in the CSD account of the seller (failure to deliver), the DSE shall investigate the cause of failure. In the event of insolvency, an injunction or similar event, the DSE shall suspend the LDM/CSD Member and shall cancel the trade.

(2) “If an LDM/CSD Member fails to effect payment for bought securities during Settlement Day, a fine of 10% of the earned commission in respect of the trade shall be imposed on the defaulting LDM/CSD Member”.

(3). The defaulting LDM/CSD Member shall be suspended for trading and the securities bought shall be frozen until settlement is completed.

DIVISION VI SECURITIES TRANSFERS

General requirements

179. The title to securities whose registers are maintained by the CSD may also be transferred directly within the CSD in the circumstances shown below. In all cases, the CSD shall need the following details, in addition to the specific details shown in each case:

- (a) The details of the securities (i.e., the financial instrument transferred and the financial instrument identification number);
- (b) The LDM/CSD Member and whether the necessary Verification process has been undertaken in the DSE CSD;
- (c) The type of transaction;
- (d) The volume;
- (e) The Settlement Day if applicable.
- (f) Client details including name, CSD account number, identity card number or passport number and address;
- (g) Such other particulars as may be required by the relevant central securities depository.

180.-(1) A client who holds a CSD Account opened through an authorised CSD Member may transfer securities to another authorised CSD Member during business hours. Such transfers will only attract CSD transfer fees in accordance with these Rules.

(2) The transfer procedure shall be as follows:

- (a) A client shall, in writing inform the current CSD Member of the intention to move securities to another CSD Member;
- (b) Where a CSD Member is instructed by a client to transfer securities held in the said CSD Member's account, in favour of another CSD Member without bringing about a change of beneficial ownership, the CSD Member shall instruct the CSD to process such transfer without delay, but in any case not later than the close of the business day following the date of the client's instruction, provided that the client's instructions are not in defiance of any provisions of the Agreement between the CSD Member and the client;
- (c) Where the CSD Member refuses or neglects to authorise the transfer of securities as instructed by the client, the client shall report the matter to the Exchange and the Exchange shall issue directions to the CSD Members, without delay.

181.-(1) Private transfers may be requested by Client Depository Account holders subject to payment in advance of the relevant fees under these Rules. Private transfers shall include the following:

- (a) gifts to parties authorised by law to receive such gifts such as charities and philanthropic legal persons;
- (b) gifts to close relatives which shall include spouses, children, parents and grandparents as duly recognised by law;
- (c) transfers happening by operation of law;
- (d) transfers on account of administration of deceased's estates;
- (e) corporate action transfers, in event of restructuring where there is no transfer of beneficial interests.

(2) All Private Transfers, shall be approved by the Exchange upon receiving an application from the LDMs.

(3) Non-members of the DSE shall be required to submit such transactions to the LDMs in the capacity as a client of an LDM.

(4) The transfer of financial instruments by title of donation or gift need not be put through the market provided that the following conditions are fulfilled:

- (a) The relationship between the donor and donee both in the indirect and collateral line should not extend beyond the first degree or it is to parties authorised by law to receive such gifts such as charities and philanthropic legal persons;

- (b) The donation is finalised by a public deed or private writing;
- (c) An authenticated copy of the said instrument drawn up in terms of law is forwarded to the DSE for registration;
- (d) In the case where the transfer document is not subject to stamp duty, the transferee will have to justify the reason for not paying the stamp duty.

DIVISION VII

CORPORATE ACTIONS: MERGER AND DIVISION OF HOLDINGS

Merger of holdings
between spouses

182. Where a holder of securities and his/her spouse wishes to merge holdings which have been registered individually in separate accounts, the transfer into a joint account shall be effected upon the written instructions of both parties and upon the production of the relevant authenticated documents.

Division of holdings
between joint holders

183. Where joint holders securities in a joint account wish to divide such holdings into separate accounts, the transfers into the individual accounts can be effected upon the written instructions of both parties.

Securities collateral,
repurchase or lending

184. Securities that form the object of any securities collateral, repurchase or lending agreement or any undertaking may be transferred by the CSD Member under the terms of applicable covenants that may be submitted.

Corporate actions
processing

185. The CSD shall provide a number of corporate services to Issuers for as long as a register of securities is maintained by CSD.

Dividend/Interest
Payments

186.-(1) When dividend or interest payments are due, the CSD will either provide the register of securities holders to the Issuer's Registrar or will carry out the necessary processing including:

- (a) Identification of holders to whom dividend/interest payment is due on the record date;
- (b) Calculate payments due; and
- (c) Printing of cheques and/or direct credit processing.

(2) The CSD shall forward the printed instrument or direct credit details to the Issuer in bulk. The Issuer shall be responsible for reconciling dividend warrants and interest payments and for signing off and dispatching the warrants and/or instructions.

(3) As part of the dividend/interest payment procedures, the CSD shall also provide the following reports:

- (a) "Payments Withheld" due to Garnishee Orders or other grounds, and
- (b) "Payment Details" in electronic format to facilitate the reconciliation process.

(4) Direct credit facilities may cater for interest or dividend payments to be credited into the designated securities account holders' money accounts held with banks, credit or other financial institutions. Such facilities may be made available on all registered securities holdings maintained by the CSD. Direct credit facilities are issued in conformity with electronic file formats as agreed to with such banks or institutions.

Redemptions

187. Upon maturity of a fixed term security, the CSD shall identify the relevant holders of the security, process and prepare the redemption cheques as agreed to with the Issuer, saving any outstanding unresolved estate or continuing blocked accounts. The Issuer shall be responsible for the reconciliation and mailing of the relevant redemption funds as well as for the final resolution of unresolved estates and blocked accounts.

Rights and Bonus
Issues

188.-(1) As agreed with the Issuer, the CSD may undertake all processes on behalf of the Issuer in connection with rights and bonus issues.

(2) Upon allotment of the rights issue or bonus shares, the Registrar, irrespective of, whether the DSE or any other person is appointed by the Issuer to provide this service, shall supply the CSD with all the relevant information to enable the latter to amend the relevant register of holders on behalf of the Issuer to reflect the new allotment of securities.

Bonds

189. In respect of the clearing and settlement of Government of Tanzania securities Admitted on the List, the Bank of Tanzania CSD shall effect a book entry by debiting the bonds account and crediting the buyers account with the exact volume of securities traded on the basis of instructions from the CSD at the DSE CSD.

DIVISION VIII

DEPOSIT OF NON LISTED SECURITIES IN THE CSD

Application to deposit
Non-Listed Securities

190.-(1) An application to deposit non-listed securities in the CSD shall be made to the Exchange in the form shown in the Fourteenth Schedule.

(2) The Exchange shall place before the Board an Application to deposit non-listed securities in the CSD as well as DSE management internal recommendations in respect thereof, for the decision of the Board.

(3) The Board shall endeavour to determine whether to accept or reject an Application from the date of delivery of a complete Application.

Documents to be
submitted with an
application to deposit
Non-Listed Securities

191.-(1) The following documents should be submitted to the Exchange together with an application to deposit non-listed securities:

(a) A letter from the Issuer's Counsel confirming that the applicant is duly constituted;

- (b) A letter from the Issuer's Company Secretary or other Issuer's legal representative, as duly authorised by the Company's Board of Directors or the Issuer's policy or decision-taking body or authority, declaring that the register of holders of securities forming subject of the Application, delivered in the format acceptable to the CSD in support of the Application, is complete in all respects in terms of law as at the date of the Application.
- (c) A letter from the CSD Member confirming that the applicant shall comply with the CSD Rules and conditions that the Board shall deem appropriate in a form set out under the Twelfth Schedule and Fifteenth Schedule;
- (d) Ten copies of the applicant's memorandum and articles of association (and of any alterations which are proposed to be made to them prior to public issue);
- (e) A copy of an approval from the Authority allowing the Issuer to issue shares to the public, if appropriate;
- (f) A CD/USB key or other electronic media with a copy of all of the above documents in electronic form; and
- (g) The application fee.

Basic conditions to be fulfilled by an Applicant

192.-(1) An applicant for depositing non-listed securities in the CSD must comply with the following requirements:

- (a) Issuer to be duly constituted - the Issuer must be duly incorporated as a public company under the laws of Tanzania;
- (b) Status of the Non-Listed Securities; and
- (c) The securities for which an Application to deposit in the CSD is sought must be issued in conformity with the laws of Tanzania.

(2) An applicant depositing non-listed securities at the CSD shall pay the application and annual CSD fees as shown under First Schedule or as may be prescribed by the Board from time to time.

PART IX LISTING OF FOREIGN COMPANIES RULES

Cross-listing of Securities

193.-(1) An Applicant already Admitted on the List on a recognised Stock Exchange may, subject to compliance with these Rules of the DSE and approval of the Authority, apply for a cross-listing and Admission on the List at the DSE.

(2) An application for Admission on the List of securities at the DSE shall be made to the Exchange by a sponsoring LDM.

(3) An Application for cross-listing of securities shall be accompanied by;

- (a) An Information Memorandum containing information

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prescribed under the Capital Markets and Securities Act;

- (b) A legal opinion by a lawyer practising in Tanzania, that a cross-listing will not infringe any legal provisions in either jurisdiction and that there is no legal reason why the Issuer should not be Admitted on the List; and
- (c) Cross-Listing Fee.

Continuing
Obligation
Requirements

194. A cross-listed Issuer shall comply with all the continuing obligations of the DSE.

Transactions in Cross-
Listed Securities

195. Transactions in cross-listed securities shall be subject to the CSD Rules.

PART X FOREIGN INVESTORS RULES

Permission for
Investment by
Foreign Investors

196. A Foreign Investor may subject to the limits prescribed in the Capital Markets and Securities (Foreign Investors) Regulations, 2003, acquire the securities of an Issuer in respect of which the Issuer is making an application for listing or which are already listed at the DSE.

Appointment of
Custodian

197.-(1) A Foreign Investor shall, prior to the acquisition of securities at the DSE appoint a Custodian.

(2) The Custodian shall be responsible for maintaining a record of securities of a respective Foreign Investor as well as implementing duly received instructions of the investor.

Deposit of
Certificates
(securities) into the
CSD

198.-(1) Where Foreign Investors acquire securities Admitted on the List, those securities shall be deposited by the Issuer into the CSD of the DSE.

(2) Upon the entry into force of these Rules, all Foreign Investors who hold shares in companies Admitted on the List at the DSE shall deposit those shares into the CSD of the DSE through a CSD Member.

(3) Securities deposited into the CSD shall be held in accordance with these Rules.

(4) The DSE shall, within 3 business days of the next month furnish the Authority with a report showing details of the holdings of securities by Foreign Investors as at the last day of the previous month.

(5) An LDM shall on every application for the securities of an Issuer; or on the transfer of the securities of an Issuer to an investor, declare whether the applicant or the transferee, as the case may be, is a citizen of Tanzania or a Foreign Investor.

(6) No LDM shall effect an order for the purchase of securities of an

Issuer if such purchase will result in a breach of the limits prescribed for foreign investors under these Rules.

(7) The DSE shall prepare in respect of each day a report showing:

(a) The number of securities of each Issuer traded on that day; and

(b) The number of securities of each Issuer available for purchase by Foreign Investors, and shall furnish such report to the Authority before the commencement of trade on the next trading day.

(8) The DSE shall publish every report prepared under this Rule at its public gallery or on its website.

PART XI INVESTOR PROTECTION FIDELITY FUND

Preliminary

199. The Exchange has established a Fidelity Fund which shall be used for the purposes of compensating investors who suffer pecuniary loss as a result of, or in connection with any default by LDMs. The Fidelity Fund shall be administered by the Exchange in accordance with the Act.

Claims

200.-(1) An investor may make a claim against the Fidelity Fund by submitting such claim to the Exchange.

(2) Such claim shall be confined to loss or misappropriation by the LDM of cash or securities held by such firm on behalf of the investor in connection with, or arising out of, or in contemplation of transactions in securities Admitted on the List where:

(a) It is established that an investor has made a claim in writing to his LDM by registered letter and this has not been satisfied within a maximum period of two (2) weeks from submission of the claim;

(b) Upon receipt of a claim the Exchange shall ask the claimant to fill in an Application for Declaration of Default. A sample of Declaration of Default is set out under the Sixteenth Schedule. The Exchange shall submit such application to the Board.

(3) The Board shall cause a copy of the Default Notice to be served on the LDM at its registered place of business. The respondent shall have a right to answer in writing to the facts alleged in the said application within seven (7) days from the date of service of the application and shall cause a copy of such answer to be served on the Board.

(4) On expiry of the period aforementioned, the Exchange management shall file the Application for Default Notice with the Board together with any relevant documents.

Declaration of Default

201.-(1) The Board may, upon an Application for a Default Notice by

an investor, declare the LDM to be in default if the firm:

- (a) is guilty of any negligent act, error, omission or breach of professional duty; or
- (b) is guilty of any dishonest or fraudulent act or omission perpetrated with the manifest intent to cause an investor to sustain a pecuniary loss; or
- (c) has suspended payment of monies or outstanding balances due to investor or clients as required.

(2) A Declaration of Default shall be effective as from the day it is given in the decision of the Board, which shall therein premise the reasons leading to its deliberation.

(3) The Board shall convey its deliberations to the DSE management and the DSE management shall take the appropriate disciplinary action it deems necessary as per the Board's directive(s).

Default Notice

202. The Exchange shall post a copy of the Default Notice on the Notice Board of the Exchange forthwith and shall serve such Default Notice on the LDM in default.

Application for Compensation

203.-(1) Investors who consider that they may be entitled to make a claim for compensation under these Rules shall apply to the Exchange without delay but not later than four (4) months from the date of issue of the Default Notice.

(2) Each Application for Compensation in a form set out under Seventeenth Schedule shall be submitted to the Committee for its deliberations.

Exclusion from Compensation

204.-(1) A claim for compensation shall not be considered if the investor is adequately protected in respect of his loss under any other existing compensation or insurance scheme and the Board may postpone its decision in relation to a claim for compensation until the amount payable under such other scheme is determined.

(2) The following may constitute grounds for rejecting an Application for Compensation from an investor, but may not be exhaustive:

- (a) If the investor has contributed in any way to the financial difficulties of the firm in default; or
- (b) If the application is found to contain any inaccuracy or omission, unless this is clearly immaterial or is shown by the investor to be wholly innocent; or
- (c) Where, in the opinion of the Board, the investor has so conducted himself in his dealings with LDM in default, as to be in breach of applicable law or regulations, including these Rules.

Limit of Compensation

205.-(1) The amount which may be paid out to an investor as

compensation shall be 80% in respect of all claims which have been made by the investor subject to a maximum amount stipulated under the Act, provided that the total compensation paid from the Fidelity Fund in any one year shall not exceed 50% of the balance available in the Fidelity Fund.

(2) Subject to the above limits, the Board shall have absolute discretion to determine the amount of any payment which it may make by way of compensation and may authorise that compensation in the form of cash or securities as it may deem necessary.

Reduced or Interim
Payments

206.-(1) Where the Board is satisfied that in principle, compensation is payable but considers that immediate payment in full would not be prudent, having regard to other applications for grant of compensation made or likely to be made or to any uncertainty as to the amount of the investor's overall net claim, it may determine to pay an appropriate lesser sum in final settlement or to make a payment on account.

(2) A payment on account shall be treated as the payment of a compensation sum and shall not inhibit the Board from making a determination in respect of any balance.

(3) The Board may also determine to make a payment on account or to pay a lesser sum where the investor has a prospect of recovery in respect of the claim from any third party or through an application for compensation to any other person.

Assignment of Rights

207.-(1) As a pre-condition to receiving compensation from the Fidelity Fund under these Rules, the investor seeking compensation shall be required to transfer to the Exchange his claim against the LDM in default.

(2) The investor shall be required to subrogate his rights to the Exchange to the extent that the claim has been satisfied under these Rules.

(3) Investors shall therefore, be required to sign such documentation as may be necessary to effect this assignment and to confirm that they have not received any payment from any other scheme or from the LDM in default since making the claim and prior to any payment being made to such investor under these Rules.

Powers of the Board

208.-(1) The Board shall hold, manage and apply monies of the Fidelity Fund in accordance with these Rules, although the express powers given do not restrict its general powers of management.

(2) The monies available in the Fidelity Fund shall be invested from time to time as the Board directs, having regard to the need for prudence.

(3) The Board may borrow money or otherwise incur indebtedness for the purpose of the Fund, in any way and in any terms it thinks fit, provided that such borrowings do not exceed the net asset value (less a realisation margin) of the Fidelity Fund.

Revenue of the Fidelity Fund

209.- The Fidelity Fund shall consist of:

- (a) Transaction fees paid by investors for this purpose;
- (b) The interest and profits accruing from the investment of the Fidelity Fund;
- (c) All monies paid to the Fidelity Fund by the Exchange;
- (d) All monies recovered by or on behalf of the Exchange in the exercise of any rights of action;
- (e) All monies paid by an Insurer under a contract of insurance or indemnity entered by the Board of the Exchange under the Act;
- (f) All other monies lawfully paid into the Fidelity Fund.

Payment out of the Fidelity Fund

210.- The payments out of the Fidelity Fund shall consist of:

- (a) Monies as determined and directed by the Board to be paid in settlement of the investors' justified claims; and
- (b) Any administrative expenses.

Records

211. The Board shall ensure that DSE management maintains proper records of the transactions of the Fidelity Fund.

Cooperation with the Committee and the Board

212. The LDMs shall cooperate with the Board and the Committee in making available all information, books and documents and shall otherwise render all such assistants as is necessary or desirable to assist the Committee to perform these functions under these Rules.

PART XII SECURITIES MARKET INDICES

Index Management Committee

213.-(1) There shall be a Committee composed of members to manage the process of building indices. The composition of this Committee shall be structured in such a way that it represents the Exchange, fund managers, practitioners, academicians and LDMs. The Committee's mandate is to ensure that the management and on-going operation of the index is independent and transparent.

(2) The Exchange shall, through the Committee develop its indices as it deems fit.

Duties and responsibilities of the Index Management Committee

214.- The duties and responsibilities of the Committee shall be to:

- (a) Establish the criteria and procedures for selection of the constituents of the DSE Indices.
- (b) Determine the base year period and value of the indices.
- (c) Formulate a scientific and transparent methodology of indices calculation.
- (d) Review, monitor and maintain periodically the new indices and make adjustments as required.
- (e) Consider the development of sector indices.

215.-(1) The Committee shall meet at any time as the circumstances may demand, to review the constituents of the indices. The constituent reviews will be based on data collected. Details of the outcome of the review shall be published as soon as possible after the Committee meeting has concluded.

(2) The periodic review of constituents will be conducted using the following steps:

- (a) Create database of all securities listed on the DSE;
- (b) Apply all liquidity tests set out in these Rules;
- (c) Exclude securities which do not fulfil the criteria set out in these Rules;
- (d) Rank all eligible securities by market capitalisation, largest first and smallest last;
- (e) Where a greater number of securities qualify to be included in the index than those qualifying to be removed, the lowest ranking securities presently included in the index will be removed to ensure that the number of securities remains constant. Likewise, where a greater number of securities qualify to be removed from the index than those qualifying for inclusion, the highest ranking securities which are presently not in the index will be included to match the number of securities being removed at the periodic review.
- (f) Adjust share weightings for availability to all investors.

216.-(1) If a constituent is de-listed, or ceases to have a firm quotation, or is subject to a takeover offer which has been declared wholly unconditional or has, in the opinion of the Committee, ceased to be a viable constituent as defined by these Rules, it will be removed from the constituents and replaced by a reserve security ranking highest by full market capitalisation as at close of business on the day preceding the inclusion of the replacement security.

(2) The removal and replacement are effected simultaneously, before the start of business on the day following the day on which the event justifying removal was announced. Announcement after close of business are normally deemed to be made on the following business day. In the case of a takeover, the qualifying event is an announcement that the offer has been declared wholly unconditional.

217.-(1) If the effect of a merger or takeover is that one constituent is absorbed by another constituent the resulting Issuer will remain a constituent of the Index, and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security from the reserve list as at close of business on the day preceding the inclusion on the replacement security.

(2) If a constituent Issuer is taken over by a non-constituent Issuer, the

original constituent will be removed and replaced by the merged entity. In the event that the merged entity is ineligible for the relevant index, it will be replaced by the highest ranking security from the reserve list as at close of business on the day preceding the removal of the original constituent.

(3) If a constituent Issuer is split so as to form two or more companies, then the resulting companies shall be eligible for inclusion as index constituents if their market capitalisation(s) are large enough to qualify, and if they qualify in all other respects. The lowest ranking constituent of the index is removed.

New issues

218.-(1) If, in the view of the Committee, a new issue is so large that the effectiveness of the index as a market indicator would be significantly and adversely affected by its omission, the Committee may decide to include the new issue as a constituent of the index at the earliest practicable opportunity. In such a case, the timing of the inclusion of the new constituent will be at the discretion of the Committee.

(2) New issues of companies which do not qualify for early entry but which meet the criteria for eligible securities will be eligible for inclusion in the next review.

(3) If the Committee decides to include a new issue as a constituent security other than as part of the normal periodic review procedure, this decision must be publicly announced at the earliest practicable time.

Suspension of dealing

219. Where a suspension of a constituent lasts for more than 30 calendar days and in the opinion of the Committee is unlikely to return to the market, it will be deleted from the index. When a stock is otherwise removed following suspension of its quote, the stock will be removed at its suspension price unless otherwise decided by the Committee.

Treatment of securities re-admitted to trading

220.-(1) Securities which were removed from any shares indices, which on re-admission are larger than the smallest constituent of the index, shall be re-instated in the index at the price at which they were removed and the lowest ranking constituent of the index will be selected for removal. The addition and deletion of stocks occur simultaneously such that there are always sufficient constituent companies.

(2) Securities which on re-admission are smaller than the smallest constituent of the index, shall then be re-instated in the same index at the price at which they were removed after the close of the index calculation on the trading day prior to re-admission.

Changes to Constituent Weightings

221.-(1) Adjustments to reflect a major change in the amount or structure of a constituent company's issued capital must be made before the start of business on the day on which the change takes effect (e.g. the Ex Date for a rights or capitalisation issue).

(2) Adjustments to reflect less significant changes (e.g. the issue of an additional block of shares under an employees' equity scheme) would be implemented as soon as possible following the announcement of the change.

Determination of the Closing Price of a Security

222. The closing price of a security shall be the price at which at least 0.01% of issued shares of the security have traded per trading session of the day. There shall be no changes of the closing price of the security if the quantity of shares at traded price does not make up a 0.01% of issued shares.

Computation of Market Capitalization

223. Total Market capitalization for a day shall be computed as the aggregate sum of the current share price (closing price) of each individual listed company multiplied by its issued shares.

Computation of Indices

224. Indices shall be computed based on Market Capitalization Weighted Index. There shall be Sectorial Indices as approved by Index Committee from time to time.

PART XIII FEES

Purpose of Fees

225.-(1) All Members must pay all fees and costs.

(2) The Exchange may waive all or part of fees and costs, provided it continues to treat all Members equally.

(3) Unregulated services provided by the Exchange are not covered by these Rules and may attract fees and costs as agreed between the Exchange and its clients from time to time.

DSE Fees

226. These Rules shall govern the fees provided under the First Schedule to these Rules.

Invoicing method

227.-(1) All invoices from the DSE shall be issued to customers in paper form to a specific point of contact agreed between the DSE and each customer, unless as otherwise prescribed by the DSE from time to time.

(2) The DSE shall issue all invoices as required or within 10 days of the month end when the invoice falls due.

Invoicing date

228. DSE fees are invoiced on the following dates:

(a) Application Fees - on application.

(b) Initial membership/listing fees - on joining. For the purpose of this Rule, all Members and Issuers are deemed to join from the start of each month.

(c) Annual membership/listing fees - annually on 1st July.

(d) Transaction fees - at the end of each month.

(e) Other services - at the end of each month, quarter or as incurred, as specified for the particular service.

229.-(1) All fees are non-refundable.

(2) Without prejudice to what is provided under sub-rule (1), DSE shall forfeit fees paid in advance the purpose of which has not materialised twelve (12) months from the date of payment.

(3) All fees are payable electronically directly in the currency specified, to the DSE's bank account as contained on its invoices from time to time. Invoices within Tanzania shall be paid via the Tanzania Inter Bank Settlement System (TISS). International invoices shall be paid via SWIFT.

(4) Payments by DSE customers from abroad shall include all international bank charges.

(5) Payment terms are:

- (a) Cleared funds in advance for all Application Fees; or
- (b) 30 days in arrears.

(6) The DSE shall be entitled to charge a late payment fee for all invoices which are outstanding in cleared funds at the required payment date, at a monthly interest of 2% above the Bank of Tanzania monthly average lending rate, charged for the whole period up until the period when full payment of such sums are received, irrespective of whether invoices are paid late for part or whole period.

230.-(1) LDMs must advise their clients as to all the commission rates and other charges to be applied to transactions carried out on the client's behalf before the business is accepted.

(2) All fees payable by an LDM and CSD Member in respect of transactions in marketable securities shall be charged by the DSE and paid by the LDM and CSD Member, not passed on to the client. The amount deductible from payment to the client under this Rule due to the Exchange and the Authority shall be remitted directly to the Exchange and Authority by the LDM / CSD Member at the end of each month.

(3) LDMs shall advise their clients as to the indicative rate of commission which has been approved by the Authority.

(4) All charges and commissions levied shall be as shown on the Contract Note.

(5) All bank charges or expenses incurred on behalf of clients shall be borne by the clients concerned.

(6) Where an Issuer is effecting a public issue through a new issue, rights, offer for sale, placing of tender, and an LDM is appointed a sponsoring Member, such Member shall be paid a fee, not being brokerage, as may be negotiated between the parties concerned.

(7) Every Member shall pay the fees due under these Rules.

**PART XIV
GENERAL PROVISIONS**

Intellectual
Property

231.-(1) The DSE owns the intellectual property in its trademark and logo.

(2) All data entered on DATS and the CSD, including Orders, Trades, any other transactions, and all derivatives of data thereof (i.e., including but not limited to indices), shall belong at all times to the DSE as its intellectual property.

(3) Consequently any use thereof outside DATS or the CSD shall at all times require the prior written approval and consent of DSE, subject to such fees, terms and conditions that the DSE may in its discretion impose.

Amendment or
suspension of the
Rules Book

232. These Rules may be suspended or amended where two-thirds of the Board so agree and provided that notice of such suspension or amendment is contained in the notice calling the relevant Board meeting. Provided that any such suspension or amendment shall not take effect prior to the Authority's endorsement.

Liability

233. The Exchange shall not be liable directly or indirectly for omissions or acts done in good faith in the administration or implementation of these Rules.

Effective date

234. These Rules shall come into operation on the date of approval by the Capital Markets and Securities Authority.

FIRST SCHEDULE

THE DSE AND CSD FEE STRUCTURE AS APPROVED BY THE AUTHORITY

[Made under Rules 10 (5), 33, 51, 77, 89, 92 (2) and 226]

Table 1 - DSE Fees

S/N	Category		Specific Fee	Fee			
1.	DSE Membership Application Fee		All applicants	TZS 2,000,000			
2.	DSE Annual Membership Fee		Licensed Dealing Member	TZS 1,000,000			
			NOMADs	TZS 500,000			
			Clearing Banks and other Operators	TZS 1,000,000			
3.	Listing Fee Equities - MIMS		Initial Listing Fee	Rate	Min	Max	
			Annual Listing Fee	0.25%	2mn	30mn	
			Additional Listing Fee	0.05%	2mn	20mn	
	Listing Fee Equities - EGMS		Initial Listing Fee	0.2%	2mn	30mn	
			Annual Listing Fee	0.1%	1mn	10mn	
			Additional Listing Fee	0.025%	1mn	5mn	
4.	Listing Fees	Corporate Bonds	Initial Listing Fee	Rate	Min	Max	
			Annual Listing Fee	0.05%	2mn	20mn	
			Additional Listing Fee	0.0125%	2mn	10mn	
		Government Bonds	Initial Listing Fee	0.025%	1mn	10mn	
			Annual Listing Fee	0.05%	No Limit	No Limit	
			Additional Listing Fee	0.0125%			
5.	Listing Fees – Mutual Funds		Initial Listing Fee	Rate	Min	Max	
			Annual Listing Fee	0.05%	0.5 mn	10 mn	
			Additional Listing Fee	0.125%	0.5 mn	5 mn	
6.	Listing Fees - ETFs		Initial Listing Fee	0.01%	0.25 mn	5 mn	
			Annual Listing Fee	0.1%	1 mn	20 mn	
			Additional Listing Fee	0.025%	1 mn	10 mn	
7.	Transaction Fees - Bonds	Brokerage Commission	Up to TZS 40 mn	Rate	Min	Max	
			On any additional amount exceeding TZS 40 mn	1/16%	5,000	25,000	
		DSE Commission	On Brokers on any amount transacted	1/32%	25,000	No Limit	
			On Bonds Traders on any amount transacted	1/140%	No Limit	No Limit	
8.	Transaction Fees-Equities		Brokerage Commission	Rate	Min	Max	
				Up to TZS 10 mn	1/64%	No Limit	No Limit
				On the next TZS 40 mn	1/64%	No Limit	No Limit
			On any sum above TZS 50 mn	1/64%	No Limit	No Limit	
			DSE and CMSA's Commission (where 0.02% goes to Fidelity Fund and 0.28% is being equally divided)	Rate	Min	Max	
				Up to TZS 10 mn	0.8%	0.8%	
On next TZS 40 mn	0.3%	0.3%					
On any sum above	0.3%	0.3%					

			TZS 50 mn		
9.	Infrastructure Fee	Trading Members and Institutions (<i>excluding the Regulator</i>) taking a market data screen	TZS 19,408,086 per member, per annum effective from 1 st July 2016.		
10.	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		

Table 3 - CSD Fees

S/N	Category	Specific Fee	Fees	
1.	CSD Operators Admission Fee	All Operators	TZS 1,000,000	
2.	CSD Annual Fee	Custodians	TZS 2,000,000	
		Licensed Dealing Members	TZS 1,000,000	
		Clearing Banks		
		Other Operators		
		Issuer-First Security	TZS 100,000	
		Issuer-Subsequent Securities	TZS 500,000	
3.	Transaction Fee	Standard Transaction Fee	TZS 0.06% of the transaction value	
		Dematerialization Fee	TZS 1,000 per transaction	
		Consolidation Fee		
		Amendment Fee		
		Private Transfer Fee		
		Reissue Fee	TZS 2,000	
		Mortgage and Release of Mortgage	TZS 10,000	
Change of LDM by CDS Account holder	TZS 2,000			
4.	Processing of IPO	Verification, Validation and Uploading of Shareholders Register to the system.	MIMS	EGMS
			0.5% of market capitalization subject to a minimum of TZS 2mn and maximum of TZS 10 mn.	0.25% of market capitalization subject to a minimum of TZS 1 mn and a maximum of TZS 5 mn
		Printing of Depository Receipts	TZS 1,000/= per Depository Receipt.	
5.	Other Transaction Fees	Statements (Paper)	TZS 5,000 per account plus postage and any certification fees.	
		Statements (SMS)	TZS 200 per SMS split 50% between DSE and Mobile Network Operator.	
6.	Infrastructure Fee	DSE Members and other parties (<i>excluding the Regulator</i>) accessing the CDSR	TZS 2,835,597 per member per annum effective from 1 st July 2016.	
7.	Custody Fees	Institutional	0.005% of the value of assets under custody charged on a quarterly basis	

SECOND SCHEDULE
APPLICATION FOR LISTING OF SECURITIES AT DSE

[Made under Rules 44 (1), 65 (1) and 87 (3)]

This form is to be used by an Issuer for Applications to list securities on either Main Investment Market Segment (MIMS) or the Enterprise Growth Market (EGM). For EGM Issuers it must be accompanied by an undertaking from a Nominated Advisor as shown in Appendix 17.

Name of Applicant

Hereby applies for the Admission on the List of the following securities at the DSE (hereinafter called "the Exchange"):

1. The Applicant was established in (country):

Under _____ on (date):
(Law): _____

Issued with incorporation
certificate number (if any) _____

2. Address of the registered office:

3. Address of each office at which a Shareholders' Register is kept:

4. Has application been made for Admission on the List on any other Stock Exchange?

(if so, what is the Exchange (s) and the result)

5. Will securities be issued and recorded in the CSD for all holders of securities of which Admission on the List is requested?

(if not, state proposed date of issue)

6. **SECURITIES TO BE ADMITTED**

(show separately the number and denomination of each class of securities for which Application is sought)

Confirm that the Application is for the total number of issued securities of the above class of securities

Are there any authorised but unissued securities of the above class of securities, if so specify

7. **AUTHORISED AND ISSUED CAPITAL**

(show separately any different classes of securities of the Issuer, the amount paid up on each class, and the dividend and voting rights attaching to each class. Where there is a difference between authorised and issued please specify)

How many forfeited shares (if any) does the Issuer hold?

8. PARTICIPATION RIGHTS

Have any rights been granted to any person or to any class of persons to participate in any issue? (if so, give particulars)

9. Last day of Financial Year _____

10. Month in which Annual General Meeting is usually held _____

11. Month(s) in which Dividend (s) is (are) usually paid _____

12. Full shareholders register and their holdings as at the date of application. _____

13. CONTACT DETAILS (main)¹ _____

14. Alternate contact details. _____

15. ACCOMPANYING DOCUMENTS

1. Ten copies of any prospectus submitted to the Authority for approval. Where approval has been granted by the Authority, ten copies of the approved prospectus together with evidence of approval by the Authority of the prospectus.
2. Three copies of the Memorandum and Articles of Association. The MEMARTS should contain provisions(s) relating to observance of good corporate governance principles as per the guidelines on the same issued by the Authority.
3. Where applicable, annual accounts for the three latest years, except if disclosed in full in the prospectus.
4. Copies of all prospectuses and memoranda of sale issued in the last three years.
5. Application and first year Listing Fees.
6. Where the Application is made for the EGM, the undertaking by the Nominated Advisor as per format and content provided under Appendix 17 to these Rules.
7. A CD/USB key or other electronic media with a copy of all of the above documents in electronic form.

UNDERTAKING

In consideration of the DSE (“the Exchange”) granting the Issuer’s application for the Admission on the List of securities described in this form of Application, the Issuer HEREBY UNDERTAKES AND AGREES to:

1. The DSE CSD providing the authentic and definitive record of title including all details relevant to the holdings of such securities, including non-listed securities for the securities held in the CSD, and the DSE shall be authorised to provide the CSD and associated registry services as defined in applicable laws.
2. Comply with the continuing obligations of an Issuer Admitted on the List as set out in these Rules, as amended from time to time.

The Common Seal of the Company is hereunto affixed in the presence of:

- I. Director
- II. Director/Secretary
- III. Date

¹ Specify contact details for appropriate Directors and Company Secretary including telephone, mobile, fax, email and postal address (if different from registered office).

THIRD SCHEDULE

CONTINUING LISTING OBLIGATIONS

[Made under Rules 2, 53 and 78]

GENERAL DISCLOSURES AND TIMETABLES

An Issuer must notify the Exchange of any major development in its financial position or prospects which are not public knowledge but which could materially impact the price of its securities. The Exchange will inform the market of this information. Notwithstanding the generality of the foregoing, an Issuer shall notify the Exchange immediately a decision has been taken on any of the following matters so that the Exchange may advise the market:

1. The financial results for the financial year and the first six months of each financial year (interim report) - such results are required to be announced within three months of the end of the period concerned but are not required to be audited - the format and contents of such announcements are to be in accordance with guidelines issued by the Exchange (see **Attachment 1** to this schedule). Where the operation of any law or regulatory requirement mandates an Issuer to produce audited or other quarterly reports, then these should be notified to the Exchange, though nothing in these Rules shall otherwise compel quarterly reporting for an Issuer.
2. Short particulars of any of new capital whether to be issued as capitalisation or by way of rights to shareholders.
3. Any changes in the Directorate, the Secretary, Auditors and Legal Advisors and the date of the financial year end.
4. Any sale or purchase of assets, licences or subsidiaries which could materially alter the company's business stating the consideration for any disposal and the effect of the disposal on the Company.
5. Subject to paragraph 6 on page 97 below, any award or cancellation of a dividend or other cash payment.
6. Where an Issuer proposes a corporate action involving any announcement of a timetable for an action affecting the rights of existing shareholders, it shall require the prior approval of such timetable (including the record dates) by the DSE. Allow a minimum period of fourteen (14) Business Days from the date of announcement of the relevant corporate action and record date. The record date shall mean the last date when settled positions are entitled to benefit from the relevant corporate action.
7. For the purposes of the preceding paragraph, a corporate action shall include such matters as dividend, scrip dividends, bonus issues, capitalisation issues, rights issues, open offers.
8. Where an Issuer calls a General Meeting which is not contained in its Annual Report and Accounts it should notify the DSE of the time, date and details of resolutions. Following the Extraordinary General Meeting it shall notify the DSE of the results of those resolutions forthwith.
9. Any litigation or threat of litigation which may have a material impact upon the price of the Issuer's securities.
10. Substantial, Reverse or Related Party Transactions as defined herein below.

All notifications to the Exchange which are required by this Appendix must be in writing to the Exchange by fax or email to such address as the Exchange may from time to time publish. Such information should not be passed by the Issuer to any third party (other than the Issuers professional Advisors) until it has been released to the Market by the Exchange.

DOCUMENTS TO BE SUBMITTED TO THE EXCHANGE

1. The Company shall forward to the Exchange as soon as issued:
 - I. 10 copies of the Annual Report and Accounts.
 - II. 10 copies of half yearly interim statement.
 - III. 10 copies of all Resolutions increasing the capital and all notices relating to further issues of capital or any other circular.
 - IV. A CD/USB key or other electronic media with a copy of all of the above documents in electronic form.
2. Fees - the Issuer shall pay all admissions and on-going fees within the payment terms in respect of every application for a quotation of bonus, rights or other issues as levied by the Exchange from time to time.

FURTHER MATTERS

An Issuer shall apply for Admission on the List of all bonus or rights issues or other allotments, prior to issue, even where the new shares rank *pari passu* with existing quoted shares.

REGISTER

The Issuer must agree in relation to its securities Admitted on the List: -

To maintain for such issues, its register of holders on the CDS operated by the DSE in accordance with the DSE Rules.

To provide the rights and benefits of holders in the Issue, as set out in its Memorandum and Articles of Association to all those who are recorded in the CDS as the beneficial owners of shares in the Issuer.

DOCUMENTS FOR APPROVAL OR INSPECTION

1. All circulars to holders of securities (including electronic communications) together with notices of meetings, proxy forms and notices by advertisement to holders of bearer securities will be submitted to the Exchange in draft form for approval before they are published. Drafts of any proposed amendment to the Company's Memorandum and Articles of Association or equivalent documents will be submitted to the Exchange (but in the case of debt securities, this is only required where the amendment would affect the rights of the holders of such securities.)
2. Draft documents should be submitted through the Company's Sponsoring Member and not by the Issuer direct. Four copies of each document are required, which should be submitted in sufficient time for approval and, if necessary, re-submission prior to final printing.
3. It is not necessary to submit draft of the annual accounts nor, if the business of the meeting is only the routine business of an annual general meeting, the notice convening the annual general meeting of the related form of proxy. It is not necessary to submit a draft of a half-yearly report or preliminary profit statement so long as it conforms with Exchange Guidelines.
4. Changes to articles of association must conform with the requirements of FOURTH SCHEDULE

REQUIREMENTS FOR MEMORANDUM AND ARTICLES OF ASSOCIATION

4. [Made under Rules 46 (O) and the Third Schedule]
7. Whenever shareholders are sent a notice of meeting which includes any business, other than routine business at an annual general meeting, an explanatory circular will accompany the notice or, if the business is to be considered at or on the same day as an annual general meeting, an explanation will be incorporated in the Directors' Report. An explanatory circular will also accompany any notice of meeting sent to holders of debt securities.
8. The Issuer shall forward to the Chief Executive six copies of all circulars, notices, reports, announcements or other documents at the same time as they are issued and four copies of all Resolutions passed by the Issuer other than Resolutions concerning routine business at an annual general meeting.
9. The Issuer shall send proxy forms, with provision for two-way voting on all Resolutions intended to be proposed, with the notice convening a meeting of holders of securities to all persons entitled to vote at the meeting.
10. Copies of all Directors' service contracts of more than one year's duration or, where any such contract is not reduced to writing, a Memorandum of the terms thereof, must be made available for inspection at the registered office of transfer office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of the notice convening the annual general meeting until the date of the meeting and made available for inspection at the place of meeting for at least 15 minutes prior to the meeting and at the meeting. The Issuer must state in a notice convening the annual general meeting the place and time at which copies or, as the case may be, memoranda of all such service contracts will be available for inspection or, if so, that there are no such contracts.
11. Any information which is notified to the Issuer in respect of the interests (or changes in such interests), including options, whether or not held through another party (corporate or otherwise), of each Director, including his spouse and children under the age of 18 years in so far as is known to the Issuer, or each holder of 5% or more of the share capital of the Issuer, must immediately be notified to the Exchange. The notification to the Exchange must include the date on which the transaction amount and class of securities concerned.
12. An Issuer must ensure that each of its Directors is obliged to notify it of all information needed to comply with this requirement.

MODEL CODE

The Issuer must adopt and ensure compliance with these Rules governing dealings by Directors in the securities of the Issuer Admitted on the List, in terms not less than those of the Model Code issued by the Exchange and set out in these Rules.

SUBSTANTIAL TRANSACTIONS

A transaction will be considered substantial if passes class tests set out in **ATTACHMENT 2** subject to the Capital Markets and Securities (Substantial Acquisitions Takeovers and Mergers) Regulations. It includes any transaction by a subsidiary of the Issuer but excludes any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets of the Issuer or its subsidiaries. An Issuer must notify the Exchange without delay as soon as the terms of any Substantial Transaction are agreed, disclosing the information specified by section **ATTACHMENT 3 - MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF ISSUERS** so that the Exchange may advise the market.

REVERSE TRANSACTION

A reverse transaction is any major acquisition or acquisitions in a twelve month period which for an Issuer would:

1. Exceed 100% in any of the class tests as contained in these Rules; or
2. Result in a fundamental change in its business, board or voting control; or
3. In the case of an investing company, depart materially from its investing policy (as stated in its prospectus or approved by shareholders in accordance with these Rules).

Any agreement which would effect a reverse transaction must be conditional on the consent of its shareholders being given in general meeting.

Where shareholder approval is given for the reverse transaction, trading in the securities of the Issuer will be cancelled. If the enlarged entity seeks Admission on the List, it must make an application in the same manner as any other new Applicant applying for admission of its securities for the first time and pay an admission fee to DSE based on its enlarged market capitalisation.

RELATED PARTY TRANSACTIONS

For an Issuer which is a REIT or other Collective Investment Scheme, a Related Party transaction is a transaction of any type with a Related Party. For all other Issuers, it is one with a Related Party which exceeds 5% in any of the class tests which are set out in these Rules.

As soon as an Issuer agrees a transaction with a related party, it must immediately write to the Exchange setting out:

1. The name of the Related Party and why it is considered to be a Related Party; and
2. The extent of the Related Party's involvement and interest in the transaction; and
3. A statement that the board of the Issuer, excluding any director involved as a Related Party, consider that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to the unit or shareholders' interest.
4. The information required by **ATTACHMENT 3 - MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF ISSUERS** on page 105.

AGGREGATION OF TRANSACTIONS

Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether when:

1. They are entered into by the Issuer with the same parties or their families;
2. They involve the acquisition of securities or an interest in one particular business; or
3. Together they lead to a principal involvement in any business activity or activities which did not previously form a part of the Issuer's principal activities.

CORPORATE GOVERNANCE

(1) A listed company shall state in its Annual Report & Accounts the extent to which it has complied with best practice Corporate Governance Guidelines issued by the Authority.

(2) Without prejudice to the generality of the foregoing, a listed company shall have an effective Audit Committee. The Audit Committee shall have adequate resources and authority to discharge its responsibilities.

SPECIAL PROVISIONS FOR REITS

1. Where an Issuer is a REIT, its management company shall announce the net asset value per unit of the Fund on a quarterly basis; and
2. Shall announce each and every change to its fees and services subsequent to its offer document

ATTACHMENT 1 - GUIDELINES ON HALF –YEARLY REPORTS AND PRELIMINARY PROFITS STATEMENTS OF THE FULL YEAR

The half –year report of preliminary profits statement of the full year must consist of figures and, in the case of the half-yearly report, an explanatory statement relating to the group’s activities and profit or loss during the relevant period. *Where the operation of any law or regulatory requirement mandates an issuer to produce audited or other reports, then these should be notified to the Exchange and the Regulator, though nothing in these Rules shall otherwise compel quarterly reporting for an issuer.*

1. The figures, in table form, must state at least the following:-
 - I. Net Turnover;
 - II. Profit or loss before taxation and extraordinary items;
 - III. Taxation on profits (Government taxation and , if material, overseas and share of associated companies to be shown separately);
 - IV. Minority interests;
 - v. Profit or loss attributable to shareholders, before extra-ordinary items;
 - VI. Extraordinary items (net of taxation);
 - VII. Profit or loss attributable to shareholders;
 - VIII. Rates of dividend(s) paid and proposed and amount absorbed thereby;
 - IX. Earnings per share expressed as TZS. Per share (compared on the figures shown for profits after taxation as defined in International accounting Standards);
 - x. Balance sheet
 - XI. Comparative figures in respect of (a) to (j) inclusive for the corresponding previous period.
 - XII. Notes:
 - i. Where any of the items specified above are unsuited to the company’s activities, appropriate adjustments should be made. Where the requirements of this paragraph are unsuitable to the company’s activities or circumstances, the Board may require suitable adaptations to be made.
 - i. The Exchange may authorise the omission from a half- yearly report of information required by items (a), (b),(e), (g) and (so far as it relates to those items) items (j) above and by 3, below if they consider that disclosure of such information would be contrary to the public interest or seriously detrimental to the Issuer, provided that, in the latter case, such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the shares in question. The Issuer or its representatives will be responsible for the correctness and relevance of the facts on which any application for such exemption is based. The Board may authorize the omission from a half–yearly report of any other information and from the preliminary profits statement of any information either on the grounds referred to above or if they consider such omission otherwise necessary or appropriate.

2. The explanatory statement in the half-yearly report must include any significant information enabling investors to make an informed assessment of the trend of the group's activities and profit or loss together with an indication of any special factor which has influenced those activities and the profit or loss during the period in question, and enable a comparison to be made with the corresponding period of the preceding financial year. It must also, as far as possible, refer to the group's prospects in the current financial year.
3. Where the accounting information given in a half-yearly report has been audited that fact must be stated. If the accounting information contained in a half-yearly report has been audited by the company's auditor, his report thereon including any qualifications must be set out in the half-yearly report.

ATTACHMENT 2 - TESTS

Issuers are required to provide the following information on class tests to the Exchange, which shall not be publicly disseminated unless required by these Rules. The class tests for determining whether a transaction is a substantial acquisition are as follows:

The Gross Assets Test

Gross assets is calculated as follows:

- (a) $\frac{\text{The subject of the transaction} \times 100}{\text{Gross assets of the Issuer}}$

Figures to use for the Gross assets test:

1. The "Gross assets of the Issuer" means the total of its fixed assets plus total current assets. These figures should be taken from the most recent of the following:
 - I. The most recently notified consolidated balance sheet; or
 - II. Where an admission document has been produced for the purposes of admission following a reverse takeover, any pro forma net asset statement published in the admission document may be used, provided it is derived from information taken from the last published audited consolidated accounts and that any adjustments to this information are clearly shown and explained; or
 - III. In a case where transactions are aggregated, the most recently notified consolidated balance sheet (as at a date prior to the earliest aggregated transaction).
2. The "Gross assets the subject of the transaction" means:
 - I. In the cases of an acquisition of an interest in an undertaking which will result in consolidation of the undertaking's net assets in the accounts of the Issuer, or a disposal of an interest in an undertaking which will result in the undertaking's net assets no longer being consolidated in the accounts of the Issuer, the assets the subject of the transaction means the value of 100% of the undertaking's assets, irrespective of what interest is acquired or disposed.
 - II. In the case of an acquisition or disposal which does not fall within paragraph 2(a), the assets the subject of the transaction means:
 - i. For an acquisition, the consideration plus any liabilities assumed; and
 - ii. For a disposal, the book value of the assets attributed to that interest in the Issuer's last audited accounts.
 - III. In the case of an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets.

The Profits Test

(b) Profits attributable to the assets the subject of the transaction x 100 / Profits of the Issuer

Figures to use for the Profits test:

1. The “Profits of the Issuer” means profits before taxation and extraordinary items as stated in the following:
 - I. The last published annual consolidated accounts;
 - II. The last notified preliminary statement of annual results; or
 - III. In a case where transactions are aggregated, the last such accounts or statement prior to the earliest transaction.
2. In the case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “profits attributable to the assets the subject of the transaction” means 100% of the profits of the undertaking irrespective of what interest is acquired or disposed.

The Turnover Test

(c) Turnover attributable to the assets the subject of the transaction x 100 / Turnover of the Issuer

Figures to use for the Turnover test:

1. The “Turnover of the Issuer” means the turnover figure as stated in the following:
 - I. The last published annual consolidated accounts;
 - II. The last notified preliminary statement of annual results; or
 - III. In a case where transactions are aggregated, the last such accounts or statement prior to the earliest transaction.

In a case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “turnover attributable to the assets the subject of the transaction” means 100% of the turnover of the undertaking irrespective of what interest is acquired or disposed.

The Consideration Test

(d) Consideration x 100 / Aggregate market value of all the ordinary shares (excluding treasury shares) of the Issuer

Figures to use for the Consideration test:

1. The “Consideration” means the amount paid to the vendors, but the Exchange may require the inclusion of further amounts.
 - I. Where all or part of the consideration is in the form of securities to be Admitted on the List, or traded on the DSE, the consideration attributable to those securities means the aggregate market value of those securities.
 - i. If deferred consideration is, or may be, payable or receivable by the Issuer in the future, the consideration means the maximum total consideration payable or receivable under the agreement.
2. The “Aggregate market value of all the ordinary shares of the Issuer (excluding treasury shares)” means the value of its enfranchised securities on the day prior to the notification of the transaction (excluding treasury shares).

The Gross Capital Test

(e) $\text{Gross capital of the company or business being acquired} \times 100 / \text{Gross capital of the Issuer}$
Figures to use for the Gross capital test:

1. The “Gross capital of the company or business being acquired” means the aggregate of:
 - I. The consideration;
 - II. If a company, any of its shares and debt securities which are not being acquired;
 - III. All other liabilities (other than current liabilities), including for this purpose minority interests and deferred taxation; and
 - IV. Any excess of current liabilities over current assets.
2. The “Gross capital of the Issuer” means the aggregate of:
 - I. The aggregate market value of its securities (excluding treasury shares);
 - II. All other liabilities (other than current liabilities), including minority interest and deferred taxation; and
 - III. Any excess of current liabilities over current assets.

The figures to be used must be the aggregate market value of the enfranchised securities on the day prior to the notification of the transaction (excluding treasury shares).

Substitute Tests

In circumstances where the above tests produce anomalous results or where the tests are inappropriate to the sphere of activity of the Issuer, the Exchange may disregard the calculation and substitute other relevant indicators of size, including industry specific tests. Only the Exchange can decide to disregard one or more of the class tests, or substitute another test.

In respect of major acquisitions of which an Issuer must notify the Exchange so that the marketplace can be informed, it shall include the following information:

1. Particulars of the transaction, including the name of any other relevant parties;
2. A description of the assets which are the subject of the transaction, or the business carried on by, or using, the assets;
3. The profits attributable to those assets;
4. The value of those assets if different from the consideration;
5. The full consideration and how it is being satisfied;
6. The effect on the Issuer;
7. Details of the service contracts of any proposed directors;
8. In the case of a disposal, the application of the sale proceeds;
9. In the case of a disposal, if shares or other securities are to form part of the consideration received, a statement whether such securities are to be sold or retained; and
10. Any other information necessary to enable investors to evaluate the effect of the transaction upon the Issuer.

ATTACHMENT 3 - MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF ISSUERS

1. The purpose of the code is to provide protection against misinformed criticism both of the Issuer and individual directors, it is against the law to deal on the basis of ‘insider’ information: i.e material information which is not generally available to the public.
2. Directors are always thought to be in possession of more information than can at any particular time be published. Accordingly they must accept that they cannot at all time feel free to deal in their companies’ securities, even when legal obligations would not prohibit them from doing so.
3. In order to avoid this criticism the Exchange considers it undesirable for directors to buy or sell their company’s securities:
 - I. Where a director for his own protection, should be told not to deal because there is a price sensitive matter under discussion of which he is himself unaware (perhaps because it has not yet been made known to the board) which is likely ultimately to call for an exceptional announcement.
 - II. The periods immediately prior to the regular announcements of results and dividends.
4. The purpose of the model code is to give guidance on these two occasions so as to enable companies to establish an agreed procedure which would provide general protection against misinformed criticism both for the Issuer and for the individual directors, given that, under legal obligations, a director might otherwise be free to deal.
5. The Board sees the model code as setting a minimum standard of good practice against which companies should measure their own Issuer codes. The model code should therefore be seen as setting guidelines rather than rigid Rules to be followed in every detail.
6. The following model Rules should be used as guidelines for companies in formulating their own codes:
 - I. Directors shall not deal in their companies’ securities on considerations of a short-term nature
 - II. A director shall not deal in any of the securities of the Issuer at any time when he is in possession of unpublished price-sensitive information in relation to those securities.
 - III. The same restriction shall apply to dealings by a director in the securities of any other Issuer when by virtue of his position as a director of his own company, he is in possession of unpublished price-sensitive information in relation to those securities.
7. At other times, a director WHO IS NOT PROHIBITED FROM DOING SO BY LEGAL OBLIGATIONS can feel free to deal subject to the provisions of these Rules which follow:
 - I. Director should not deal in any securities of his own company without first notifying the chairman (or other director (s) appointed for the specific purpose), and receiving acknowledgement. In his own case chairman should first notify the board at a board meeting, or alternatively notify the other director(s) appointed for the purpose and receive acknowledgement.
 - II. Immediately following any dealing by him (or in which he has material interest) a director shall notify details of the dealing (including number of shares, price and date of transaction) to the person appointed to receive

notification by him under Rule 2.1 above and shall receive an acknowledgement.

- III. The procedure established within the Issuer should, as a minimum, provide for there to be a written record maintained by the Issuer that the appropriate notification (including notification of any dealing) was given and acknowledged, and for the director concerned to have written confirmation to that effect.
 - IV. During the periods of two months immediately preceding the preliminary announcement of the company's annual results and of the announcement of the half-yearly results together with dividends and distributions to be paid or passed a director should not purchase any securities of the Issuer nor should he deal in securities in the circumstances set out in basic principle 5 above; nor should he sell any such securities, unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met. In any event he must comply with the procedure in Rule 2 of this Appendix above.
 - V. Companies producing quarterly results should consult the Chief Executive on the formulation of modified dealing procedures appropriate to their case.
 - VI. The restrictions on dealings by a director contained in this code should be regarded as equally applicable to any dealings by the director's spouse or by on behalf of any infant child and any other dealings in which he has a material interest. It is the duty of the director, therefore, to seek to avoid any such dealing at a time when he himself is not free to deal.
 - VII. Any director of the Issuer who acts as trustee of a trust should ensure that his co-trustees are aware of the identity of any company of which he is a director so as to enable them to anticipate possible difficulties. A director having funds under management should likewise advise the investment manager.
 - VIII. Any director who is a beneficiary, but not a trustee, of a trust which deals in securities of the Issuer should endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn may notify the Issuer. For this purpose he should ensure that the trustees are aware of the companies of which he is a director.
8. A list of directors' dealing in the securities of the Issuer since the date of the previous list should be circulated to members of the board with the board papers.
 9. The directors of an Issuer should as a board and individually endeavour to ensure that any employee of the Issuer or director or employee of a subsidiary company who, because of his office or employment in the Issuer or a subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the securities of any Issuer, deals in those securities in accordance with this model code.

FOURTH SCHEDULE

REQUIREMENTS FOR MEMORANDUM AND ARTICLES OF ASSOCIATION

[Made under Rules 46 (O) and the Third Schedule]

GENERAL

The Regulations of all companies seeking Admission on Main Investment Market of the Exchange must contain the various provisions as set out in this Part. In addition to complying with the provisions of this Part, Applicant companies must comply with the provisions of the Companies Act, 2002.

These requirements for Memorandum and Articles of Association shall be applicable for companies to be listed under the Enterprise Growth Market segment.

CAPITAL

1. The Issuer shall not issue shares to transfer a controlling interest without prior approval of shareholders in general meeting.
2. A director may participate in an issue of shares to employees only if he holds office in an executive capacity and shareholders in general meeting have approved of the specific allotment to be made to such director.
3. The total proceeds from the issue of preference shares shall not exceed the total proceeds from the issue of ordinary shares at any time.
4. The rights attaching to shares of a class other than ordinary shares shall be expressed.
5. Whether the Issuer has power to issue further preference capital ranking equally with, or in priority to preference shares already issued, shall be indicated.
6. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Issuer.
7. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital, or winding up, or sanctioning a sale of undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares is in arrears for more than six months.
8. Capital paid on shares in advance of calls shall not whilst carrying interest, confer a right to participate in dividends.
9. Offers of new shares to other than existing shareholders must be approved by an ordinary resolution of the Issuer in accordance with the Companies Act, 2002.
10. New shares shall be offered to the existing shareholders of the Issuer in proportion, as nearly as the circumstances admit to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to have been declined. After expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of those shares in such manner as they think more beneficial to the Issuer. The directors may likewise so dispose of any new shares which (by reasons of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this sub-paragraph.
11. Subject to the provisions of the Companies Act, 2002, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being

produced and a letter of indemnity (if required) being given by the shareholder or by an LDM of the Exchange acting on behalf of their client, as the directors of the Issuer shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding Shs.500/= as the directors may from time to time require. In the case of destruction, loss or theft a shareholder or person entitled to whom such renewed certificate is given shall also bear the cost of the loss and pay to the Issuer all expenses incidental to the investigations by the Issuer of the evidence of such destruction, loss or theft.

FORFEITURE AND LIEN

The Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Issuer may be called upon by law to pay in respect of the shares of the member of deceased member.

TRANSFER AND TRANSMISSION

1. The Issuer shall accept for registration transfers in the form approved by the Board including the electronic transfer of shares in the CSD.
2. Any fee charged by the Issuer for the subdivision, consolidation, exchange or registration of securities shall not exceed such rates as are from time to time specified by the Board.
3. There shall be no restriction on the transfer of fully paid securities which are admitted on the List or are to be Admitted on the List in the case of a limited liability company, except where required by law.
4. Any Regulations which entitle an Issuer to refuse to register more than three persons as joint holders of a share must be expressed to exclude the case of executors or trustees of a deceased shareholder.
5. The Issuer shall promptly notify the Exchange of any attachment or prohibitory orders restraining the Issuer from transferring securities out of the names of the registered holders thereof.
6. Transfers of fully-paid shares shall not be required to be executed by or on behalf of the transferee.

BORROWING POWERS

The scope of, or restriction on, the borrowing powers of the Board of Directors shall be expressed.

DIRECTORS

1. In addition to the provision of the Companies Act, 2002 dealing with the contents of the Regulations in respect of Directors, the following provisions must be complied with.
2. Where provision is made for the directors to appoint a person as a director either to fill a casual vacancy, or as an addition to the Board, any directors so appointed shall hold office only until the next following ordinary general meeting of the Issuer, and shall then be eligible for re-election.
3. Fees payable to non executive directors shall be by fixed sum, and not by a commission on or percentage of profits or turnover.

4. Fees payable to non executive directors shall not be increased except pursuant to a Resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.
5. A director shall not vote in regard to any contract or proposed contract or arrangement in which he has directly or indirectly a personal material interest.
6. The Company's regulations must embody these Rules relating to the retirement and appointment of directors of a public company which are contained in the Companies Act, 2002.
7. A Managing Director shall be subject to the control of the Board.
8. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to the regulations of the Issuer, the continuing directors may, except in an emergency, act only for the purpose of increasing the number of directors to such minimum number, or to summon a general meeting of the Issuer.
9. Where two directors form a quorum, the Chairman of a meeting at which only such a quorum is present, or at which only two directors are competent to vote in the question at issue, shall not have a casting vote.
10. The Company in general meeting shall have power by ordinary resolution to remove any director (including a managing or other Executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office.
11. The Issuer may not make a loan to any director or to a close relative of director and may not give any guarantee or provide any security for any such loan made by any other person.

ACCOUNTS

The interval between the close of financial year of the Issuer and issue of the audited accounts relating to the said year shall not exceed three months.

WINDING UP

1. The basis on which shareholders would participate in a distribution of assets on a winding up shall be expressed.
2. On the voluntary liquidation of the Issuer, no commission or fee shall be paid to a liquidator unless it shall have been ratified by shareholders. The amount of such payment shall be notified to all shareholders at least seven days prior to the meeting at which it is to be considered.
3. Where any Mining Company is wound up within twelve months of its shares being first Admitted on the List on the Exchange, on a distribution of assets to shareholders share capital issued for cash shall rank in priority to share capital issued to vendors or promoters for consideration other than cash to the extent of the cash contribution.

ALTERATIONS OF REGULATIONS

Companies admitted on the List shall not delete, amend or add to any of their existing Regulations which have previously been approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment, or addition.

FIFTH SCHEDULE

SAMPLE BANK GUARANTEE REQUIRED FROM LDMs AND CUSTODIANS

[Made under Rules 11 (2)]

(On Relevant Guarantor Bank's Letterhead)

(Date)

The Chief Executive
Dar Es Salaam Stock Exchange Limited
Floor 14, Golden Jubilee Tower,
Ohio Street,
Dar Es Salaam
Tanzania

Dear Sir/Madam

BANK GUARANTEE in terms of Dar Es Salaam Stock Exchange Rule **Error! Reference source not found.**

Whereas [insert here the name of the Applicant to Dar Es Salaam Stock Exchange Membership], hereinafter the "DSE Applicant Member", having its registered office at[insert here the DSE Applicant Member's Registered Office address in Tanzania] has been approved in principle by the Board of Dar Es Salaam (hereinafter the "DSE") as a DSE Licensed Dealing Member / CSD Member [delete as appropriate] to effect trades and clear and settle transactions on DSE or on the DSE's Central Securities Depository or to provide custodial services and otherwise operate on the DSE CSD in its aforesaid capacity of a DSE Member.

Whereas the DSE has agreed to admit the DSE Applicant Member subject to furnishing the DSE with a TZS 50 Million Bank Guarantee;

And whereas the DSE Applicant Member has applied to this _____ Bank [insert here the name of the Guarantor Bank providing the Guarantee], hereinafter referred to as the "Guarantor Bank"

NOW THEREFORE

The Guarantor Bank issues this irrevocable guarantee in favour of DSE on terms and conditions indicated below and in compliance with the DSE Rules.

1. This financial guarantee shall have validity and effect from the date of issue up to the date the DSE Applicant Member ceases to be a DSE Member.
2. This financial guarantee shall cover defalcation, loss to clients whose accounts are held through the DSE Applicant Member as a Custodian, or non-compliance with the financial obligations owed by the DSE Applicant Member under the DSE Rules.
3. The Guarantor Bank shall be liable not only for the DSE Applicant Member's financial obligations towards its clients, but also for any other financial obligation that may subsequently arise under the DSE Rules from this Guarantee.

4. The Guarantor Bank irrevocably guarantees and undertakes to pay immediately on first demand by DSE, waiving all rights of objection and defence, without examination of the underlying transaction/s, any amount up to a maximum of TZS 50 million (Tanzania Shillings Fifty Million only) without any reservation, protest, demur and recourse. Any such demand made by the DSE shall be conclusive and binding on the Guarantor Bank irrespective of any dispute or difference raised.
5. This Guarantee is exclusive to the DSE, is not assignable and is governed and construed by Tanzanian law

In witness whereof the Guarantor Bank, through its authorized officer/s has set its hand and stamp on thisday of..... 20..... at Dar Es Salaam, Tanzania

Name:

Signature:.....

Designation.....

Bank's Common Seal

WITNESS

Name:

Signature:.....

Designation.....

Applicant Member Common Seal

SIXTH SCHEDULE

FORM OF CERTIFICATE BY THE SPONSORING MEMBER

[Made under Rule 44 (2)]

We.....being an LDM of the DSE confirm that we have perused all the documents accompanying this Application and have counter checked all stated facts and items of Information and are satisfied that on the basis of all disclosed information, the securities are suitable for Admission.

Signed (by Member)

.....
Director
.....

Signed - Director/Secretary

Date

.....
.....

SEVENTH SCHEDULE

AGREEMENT FOR PROVISION OF ADVISORY SERVICES

[Made under Rule 63 (1)]

This Contract is mad this..... day of 20.....

BETWEEN

..... of P.O Box, (hereinafter referred to as
“the Issuer”) of the one part

AND

..... of P.O Box, (hereinafter
referred to as “the Nominated Advisor”) of the other part.

WHEREAS the Issuer is desirous of applying for Admission on the List of its securities at the Dar Es Salaam Stock Exchange under the Enterprise Growth Market Segment (EGM);

AND WHEREAS the Issuer shall be bound by the DSE Rules which requires the Issuer to appoint a Nominated Advisor.

AND WHEREAS the Nominated Advisor having assured the Issuer of its possession of a license issued by the Capital Markets and Securities Authority (CMSA) to practice as such;

AND WHEREAS the Issuer is willing to engage the services of the Nominated Advisor.

NOW THEREFORE, in consideration of payment of the necessary service fees the parties named herein, hereby covenant and agree as follows:

1. That the Issuer agrees and undertake to pay to the Nominated Advisor service fees mentioned in the schedule attached herewith and forming part to this agreement.
2. That the Nominated Advisor shall ascertain the readiness of the Issuer for the EGM and appraise the CMSA and DSE of the fact.
3. That the Nominated Advisor shall, either by himself or in consultation with other experts, appraise the project for the purpose of seeking Admission on the List of the Company in the EGM.
4. That the Nominated Advisor shall certify/confirm to the CMSA and DSE that the Issuer is a viable investment and that the pricing of its shares was objectively determined.
5. That the Nominated Advisor shall remain and continue advising the Issuer as long as it is Admitted on the List in the EGM.
6. That the Nominated Advisor shall all the time have in place staff that are trained and qualified to act in a corporate finance advisory role to Issuer.
7. Nominated Advisor shall be accountable to CMSA under the terms of its licenses and to DSE under its Rules.
8. That the parties undertake that in the event of any disputes arising out of or in connection with this Agreement they shall always ensure that such disputes are resolved amicably.
9. That in the event the dispute fails to the settled amicably the parties to this Agreement shall resort to the same arbitration procedures prescribed under the DSE Rules for disputes between LDMs (Rule 0 - Resolution of disputes between Members). These procedures shall be applicable to any disputes between the Nominated Advisor and the Issuer.

10. That the parties to this Agreement further agree that all claims, differences and disputes arising out of or in relation to this Agreement if cannot be resolved amicably and having exhausted the above arbitration procedures of the DSE shall be subject to the exclusive jurisdiction of the High Court of Tanzania.

IN WITNESS WHEREOF the parties have caused these presents to be executed as of the day and year first above written.

SIGNED and DELIVERED by the said Issuer.....

Issuer's Representative

On this.....day of..... 20.....

Name:

Postal Address.....

.....

Qualification:

In the presence of (Witness):

Name:.....

Signature:

Postal Address:

.....

Qualification:

SIGNED and DELIVERED by the said Nominated Advisor.....

Nominated Advisor's Representative

On this.....day of.....20.....

Name:

Postal Address:

.....

Qualification:

In the presence of (Witness):

Name:

Signature:

Postal Address:

.....

Qualification:

EIGHTH SCHEDULE
NOMINATED ADVISOR UNDERTAKING

[Made under Rules 65 (2)]

Date:

The Chief Executive Officer
Dar Es Salaam Stock Exchange
P.O Box 70081
Dar Es Salaam

RE: [NAME OF APPLICANT]

We are qualified to act as a Nominated Advisor. We have been appointed and have agreed to act as Nominated Advisor to the above Applicant which is seeking admission to the Enterprise Growth market ("EGM").

After carrying out due and careful enquiry, we confirm to the DSE that the Applicant:

- I. is suitable for Admission on the EGM and in particular that the Applicant will not endanger the reputation or integrity of the EGM;
- II. has established procedures which provide a reasonable basis for its directors to make proper judgements as to its financial position and prospects; and
- III. has directors who understand the nature of the responsibilities they will be undertaking in respect of an Issuer which is admitted on the EGM.

In making the above assessments, we confirm that we have considered and documented the matters set out in the attachment to this undertaking.

Furthermore, we agree as Nominated Advisor to:

- I. liaise with the DSE about any matters arising in connection with the Applicant and to submit all necessary documents to the DSE;
- II. continue to advise the Issuer for as long as any it remains as the Nominated Advisor during the Application process and at all times thereafter following an Issuer's Admission on the EGM provided it is satisfied that the Issuer is not a danger to the reputation or integrity of the market;
- III. List; and

Inform the Exchange in writing immediately upon its resignation or dismissal as a Nominated Advisor to an Issuer.

Allow the DSE to examine any documentation pertaining to Attachment 1 below.

The above undertaking has been signed by us this day of 20....

Name:

Authorised Signatory:

Position:

ATTACHMENT TO THE EIGHTH SCHEDULE (TO BE INCLUDED WITH THE UNDERTAKING)

In making the assessments in the Nominated Advisors undertaking, the Nominated Advisor must confirm that it has considered and documented the matters set out below:

1. The legality of the Applicant's incorporation. Any foreign company operating in Tanzania is duly registered for such purposes.
2. Whether the Applicant is currently in breach of any relevant legal or regulatory requirements, including any other stock exchange upon which the Applicant is quoted. Where an Applicant is regulated by an industry regulator it shall obtain comfort letters from institutions regulating their operations.
3. The suitability and transparency of the Applicant's capital structure.
4. All required authorisations with respect to submission for approval by the Exchange and publication of any prospectus and to the changes in the Issuer's structure.
5. Any underwriting arrangements
6. The ability, suitability and integrity of the Applicant's directors and their willingness to adhere to these Rules of a public market.
7. The suitability and integrity of the shareholders at the time of Admission on the EGM and in particular that there are no conflicts of interest between the substantial shareholders, the company and shareholders in general, including Connected Persons.
8. The integrity, payments (including in kind payments), disclosures, conflicts of interests of any promoters and that no shadow directors exist.
9. The suitability of the Applicant's corporate governance regime.
10. The viability of the Applicant's business plans and appropriate stress testing of such plans has been undertaken for at least the next three years.
11. The sufficiency of the Applicant's working capital taking into account the stress testing of the business plan for at least the next 12 months.
12. The commercial market in which the Applicant operates.
13. Any profit forecast is based on a proper assessment of the business prospects of the Applicant. Such profit forecast needs to include been the accounting policies, assumptions and calculations, and examined and reported upon by the reporting accountants,
14. The Applicant has all appropriate rights, patents and intellectual property rights to discharge its business.
15. The Memorandum and Articles of Association of the Applicant are suitable for a publicly listed company and allow the free transferability of the securities to be Admitted on the EGM.
16. The Applicant has appointed suitably qualified independent auditors approved by an appropriate domestic or international professional body and produces its accounts in accordance with the International Financial Reporting Standards. In particular, appropriate "Chinese walls" must exist between the auditor and any reporting accountants.
17. The Applicant has appointed suitably qualified independent reporting accountants, lawyers, registrars.
18. Where the Applicant's business requires (for example but not limited to mining, high tech, pharmaceutical), specialist independent technical advice has been retained to confirm its suitability.
19. The independence of the Nominated Advisor.

20. The Applicant's financial controls, internal reporting mechanisms and ability to comply with its on-going obligations.
21. All appropriate risks are properly disclosed to the market.
22. Whether there are any other matters in respect of the Applicant which could prove prejudicial to the interests of investors and/or endanger the reputation and integrity of the EGM.

NINTH SCHEDULE

TICK SIZES

(Made under Rule 103)

Stock Price (TZS)	Tick Sizes (TZS)
Less than 499	5.00
500 – 999	10.00
1,000 – 4999	20.00
5,000 – 9999	50.00
10,000 and above	100.00

TENTH SCHEDULE

TRADING PHASES

(Made under Rule 122)

Phase	Timing
Phase 1: Pre-Opening:	As defined in circulars issued by the DSE
Phase 2: Open-Auction	For 30 minutes after the pre-open
Phase 3: Continuous trading	For three and a half hours after the Open-Auction
Phase 4: Close	Four hours after the Open-Auction

ELEVENTH SCHEDULE

TRIPARTITE AGREEMENT BETWEEN DSE, LDM AND A CLEARING BANK

[Made under Rule 163 (2)]

This Agreement is made this day of 20.....

Between

The Dar es Salaam Stock Exchange Limited of P.O. Box 70081, Dar es Salaam (hereinafter referred to as "the DSE") of the first part,

and

[INSERT LDM NAME] (hereinafter referred to as "the Licensed Dealing Member") of the second part

and

[Clearing Bank Name] PLC of P.O BOX [], DAR ES SALAAM (hereinafter referred to as "the Clearing Bank) of the third part.

WHEREAS the DSE provides facilities at which securities are traded by Licensed Dealing Members on behalf of their clients;

AND WHEREAS the Licensed Dealing Members is guided and regulated by Clearing, Settlement and Depository Rules of the DSE;

AND WHEREAS these Rules of the DSE strictly require the buying Licensed Dealing Member not to execute any trade at the DSE trading floor before making sure that the money paid by a buying client have been cleared in the Trust Account;

AND WHEREAS the Licensed Dealing Member has engaged the Clearing Bank for assisting in the process of clearing and settlement of trades executed at the DSE;

AND WHEREAS the Clearing Bank is willing to undertake the job of settlement of trades executed at the DSE on behalf of the Licensed Dealing Member as envisaged on the terms and conditions mutually agreed upon and the parties hereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

NOW THEREFORE in consideration of the DSE, the Licensed Dealing Member and the Clearing Bank having agreed to provide mutually agreed services, all the parties to this Agreement hereby covenant and agree as follows:

1. THAT the Clearing Bank undertakes to facilitate settlement of securities transactions executed by the Licensed Dealing Member at the Trading Floor of the DSE.
2. THAT the Clearing Bank agrees to comply with the Clearing and Settlement Rules of the DSE which provides that settlement of trades involves delivery of securities against receipt of payment.
3. THAT the Clearing Bank further undertakes to ensure that trades executed at the DSE are settled in a (T+) settlement cycle where "T" is the transaction date.

4. THAT Clearing Bank shall maintain a current account at the Bank of Tanzania for the purposes of settling transactions executed at the DSE.
5. THAT the Clearing Bank undertakes to use only Bank of Tanzania cheques in settling all securities transactions executed at the DSE.
6. THAT after closure of every trading session at the DSE, the DSE will prepare and transmit a Trade Confirmation Report to the Licensed Dealing Member the very day for necessary corrections.
7. THAT the Licensed Dealing Member shall carefully review the Trade Confirmation Report to ensure that the details of trades have been captured correctly and corrections (if any) to be communicated to the DSE the next business day following execution of the trade.
8. THAT the DSE shall send a Confirmed Trade Confirmation Report to the Clearing Bank on the second day following execution of a trade (T+).
9. THAT the said Confirmation Report shall clearly show the net amounts owed between Clearing Banks of each of the Licensed Dealing Members.
10. THAT at 09.00 hours on (T+), the DSE shall instruct the Clearing Bank to effect payment transfers to other Clearing Banks for the net amounts owed to other Licensed Dealing Members as per the respective Trade Confirmation Report.
11. THAT the Clearing Bank shall, at 11.00 hours on the fifth day (T+) after trade execution at the DSE effect payment transfers as per instructions of the DSE mentioned in clause 10 of this Agreement.
12. THAT the Clearing Bank shall receive payment in favour of the Licensed Dealing Member for transfers effected by other Clearing Banks pursuant to instructions of the DSE in settlement of trades executed at the DSE.
13. THAT at 11.00 hours, the DSE shall transfer ownership of securities in its book-entry records by debiting the CDS accounts of the selling clients and crediting the CDS accounts of the buying clients according to the respective Trade Confirmation Report.
14. THAT at 15.00 hours on settlement date (T+) the DSE and the Licensed Dealing Member will be informed by the Clearing Bank of the money movements that have taken place based on the instructions provided by the DSE.
15. THAT in discharging its obligations under this Agreement, the Clearing Bank, shall not be deemed to be an agent of the DSE and the DSE shall not be responsible for any act of omission or commission of the Bank, save and except for the obligations provided under this Agreement.
16. THAT neither of the parties to this Agreement shall attempt to enforce by law any claim against the other part, arising out of or in connection with CDS operations without having exhausted the Arbitration process of the Exchange.
17. THAT the parties to this Agreement further agree that all claims, differences and disputes arising out of this Agreement, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.
18. THAT either part hereto may terminate this Agreement by giving notice in writing to other parties in not less than 21 days in any of the following events:
 - I. if the Licensed Dealing Member shall cease to maintain a Trust Account with the Clearing Bank; and
 - II. if the Licensed Dealing Member's operations at the DSE shall be suspended.

IN WITNESS WHEREOF the Dar es Salaam Stock Exchange Ltd., [INSERT LDM NAME] and the CRDB Bank PLC have caused these presents to be executed as of the day and year first above written.

SIGNED and DELIVERED

for and on behalf of the said _____

DAR ES SALAAM STOCK EXCHANGE

This day of, 20

NAME:

ADDRESS:

DESIGNATION: CHIEF EXECUTIVE OFFICER

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS:

DESIGNATION: COMPANY SECRETARY / ADVOCATE

SIGNED and DELIVERED

for and on behalf of the said _____

LDM NAME

This day of, 20

NAME:

ADDRESS: P.O. BOX

DESIGNATION:

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS: P.O. BOX

DESIGNATION:

SIGNED and DELIVERED

for and on behalf of the said _____

Clearing Bank Name PLC

This day of, 20

NAME:

ADDRESS: P.O. BOX []

DAR ES SALAAM

DESIGNATION:

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS: P.O. BOX []

DAR ES SALAAM

DESIGNATION:

TWELFTH SCHEDULE

LETTER OF UNDERTAKING TO COMPLY WITH CSD RULES

[Made under Rules 45 and 163 (3)]

The Chief Executive Officer
Dar es Salaam Stock Exchange Limited,
P.O. Box 70081
DAR ES SALAAM

.....
(Name of Company)

In consideration of the Dar es Salaam Stock Exchange (“the Exchange”) allowing the Company’s to deposit non-listed securities described in the Company’s form of Application **HEREBY UNDERTAKE AND AGREE** to comply with the continuing obligations of having the securities in the CSD of the Exchange set out in the Annex to this Undertaking, as amended or supplemented from time to time by the CSD Rules of the Exchange.

The above Undertaking has been signed by us;

As Director - [insert name]:

Secretary [Name]

Pursuant to authority granted to us by Resolution of the Board of Directors of the Company on

Date

Signature

.....
.....
.....
.....

Director

Signature

.....
.....

Director

THIRTEENTH SCHEDULE
CENTRAL SECURITIES DEPOSITORY FORMS

[Made under Rules 164, 169, 173 and 174]

TD (I) - PURCHASE TRANSFER FORM

DAR ES SALAAM STOCK EXCHANGE

Purchase Transfer Form

Treasury and Corporate Bonds

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the account of the "Transferee(s)" held at the Central Depository of the Dar es Salaam Stock Exchange named in the adjoining "Purchase Transfer Form" the bonds specified below from the account of the Transferor(s) subject to the several conditions on which the bonds are now being held

1.	DSE Trading Slip No.	
2.	Transaction Date	
3.	Consideration (Price * Amount)	
4.	LDM Codes:	
	Selling LDM Code Buying LDM Code	
5.	Buyer's Particulars	
	Name	
	Address	
	Nationality	
	Bank & A/c No.	
	CSD A/c No.	
6.	Bond Details	
	Issue No.	
	Issue Date	
	Maturity Date	
	Face Value	
	Denominations required	500,000 1,000,000 5,000,000 10,000,000 50,000,000 100,000,000 500,000,000 1,000,000,000

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

Buyer's Signature

Broker's Official Stamp & Signature

Date Documents Delivered at DSE

DSE Transfer Approval Stamp

Date Documents Received by Registrar

Registrar Stamp & Signature

For the purpose of effective transfer of ownership the transfer form will be considered complete only if both sale and purchase transfer forms are received by the Registrar / (CDS).

TD (h) - SALE TRANSFER FORM

DAR ES SALAAM STOCK EXCHANGE

Sale Transfer Form

Treasury and Corporate Bonds

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the account of the "Transferee(s)" held at the Central Depository of the Dar es Salaam Stock Exchange named in the adjoining "Purchase Transfer Form" the bonds specified below from the account of the Transferor(s) subject to the several conditions on which the bonds are now being held

1.	DSE Trading Slip No.	
2.	Transaction Date	
3.	Consideration (Price * Amount)	
4.	LDM Codes:	
	Selling LDM Code	
	Buying LDM Code	
5.	Buyer's Particulars	
	Name	
	Address	
	Nationality	
	Bank & A/c No.	
	CSD A/c No.	
6.	Bond Details	
	Issue No.	
	Issue Date	
	Maturity Date	
	Face Value	
	Denominations required	500,000 1,000,000 5,000,000 10,000,000 50,000,000 100,000,000 500,000,000 1,000,000,000

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

Seller's Signature

Broker's Official Stamp & Signature

Date Documents Delivered at DSE

DSE Transfer Approval Stamp

Date Documents Received by Registrar

Registrar Stamp & Signature

For the purpose of effective transfer of ownership the transfer form will be considered complete only if both sale and purchase transfer forms are received by the Registrar / (CDS).

CONTRACT NOTE - PURCHASE

CNP

LICENSED DEALING MEMBER OF THE DAR ES SALAAM STOCK EXCHANGE**CONTRACT NOTE****PURCHASE**Please use **CAPITAL LETTERS****Contract No:**

DSE Trading Slip No.	Trade Date:	Settlement Date:
Name of Client:		
Address - PO Box etc		
Client's Ref: Account No.		
Security		
Quantity		
Price per Share TZS		
Consideration (TZS) - Quantity * Price		
Add		
Brokerage Commission @ %		
Transaction Fee @ %		
Fidelity Fee @ %		
Stamp Duty @ %		
CDS Fee		
Total Charges (TZS)		
	TOTAL CONSIDERATION:	

Signature of Client

Stamp & Signature of LDM

Subject to these Rules of the DSE

CONTRACT NOTE - SALE

CNS

LICENSED DEALING MEMBER OF THE DAR ES SALAAM STOCK EXCHANGE

CONTRACT NOTE

SALE

Please use **CAPITAL LETTERS**

Contract No:

DSE Trading Slip No.	Trade Date:	Settlement Date:
Name of Client:		
Address - PO Box etc		
Client's Ref: Account No.		
Security		
Quantity		
Price per Share TZS		
Consideration (TZS) - Quantity * Price		
Add		
Brokerage Commission @ %		
Transaction Fee @ %		
Fidelity Fee @ %		
Stamp Duty @ %		
CDS Fee		
Total Charges (TZS)		
	TOTAL CONSIDERATION:	

Signature of Client

Stamp & Signature of LDM

Subject to these Rules of the DSE

TRANSFER FOR SHARES FROM DSE CUSTODY FORM

TD 1 (E)

DAR ES SALAAM STOCK EXCHANGE

TRANSFER FOR SHARES FROM DSE CUSTODY FORM

PLEASE USE BLOCK CAPITALS

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the "Transferee(s)" named herein the securities specified below subject to several conditions on which the shares are now being held.

1.	FULL name of security		
2.	Certificate Number		
3.	Number and full description of securities and denomination of units	FIGURES	WORDS
4.			
	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full	THE DAR ES SALAAM STOCK EXCHANGE LIMITED AS A CUSTODIAN P.O. BOX 70081 DAR ES SALAAM	
5.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
	Bank & A/c No.		
	CSD A/c No.		
6.	CONSIDERATION.....	""CENTRAL DEPOSITORY CUSTODY WITHDRAWAL"	

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description



Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

Subject to these Rules of the DSE

.....

MR 1 - MORTGAGE REQUEST FORM

PLEASE USE CAPITAL LETTERS

Borrower's Authorised CDS Member ID [insert name / number]:

.....

CDS CLIENT ACCOUNT NUMBER

.....

LENDER

.....

Date

.....

Security Name / Short Name / Quantity

.....

Borrower's Signature

.....

Director

.....

Stamp and Authorised Signature of Lender

.....

Director

.....

Distribution:

Original - DSE

1 Copy - Borrower

1 Copy - Lender

Subject to these Rules of the DSE

.....

MR 2 - MORTGAGE RELEASE FORM

PLEASE USE CAPITAL LETTERS

Borrower's Authorised CDS Member ID [insert name / number]:

.....

CDS CLIENT ACCOUNT NUMBER

.....

LENDER

.....

Date

.....

Security Name / Short Name / Quantity

.....

Borrower's Signature

.....

Director

.....

Stamp and Authorised Signature of Lender

.....

Director

.....

.....

Distribution:

Original - DSE

1 Copy - Borrower

1 Copy - Lender

Subject to these Rules of the DSE

.....

TD 1 (c) - MORTGAGE OF SHARES TRANSFER FORM

PLEASE USE CAPITAL LETTERS

1.	FULL name of security		
2.	Depository Receipt No.		
3.	Number and full description of securities and denomination of units	FIGURES	WORDS
4.			
	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
5.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
6.	CONSIDERATION.....		

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description



Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

.....

PRIVATE TRANSFER OF SHARES FORM

TD 1 (a)

PLEASE USE BLOCK CAPITALS

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the "Transferee(s)" named herein the securities specified below subject to several conditions on which the shares are now being held.

	FULL name of security		
1.	Number and full description of securities and denomination of units	FIGURES	WORDS
2.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
3.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full	THE DAR ES SALAAM STOCK EXCHANGE LIMITED AS A CUSTODIAN P.O. BOX 70081 DAR ES SALAAM	
4.	CONSIDERATION.....	"CENTRAL DEPOSITORY CUSTODY"	

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

.....

Subject to these Rules of the DSE

NOTE: THIS TRANSFER DOES NOT CONVEY ANY TRANSFEROR'S BENEFICIARY INTERESTS OVER THE SECURITIES DEPOSITED AT THE CENTRAL DEPOSITORY SYSTEM OF THE TRANSFEREE.

FOURTEENTH SCHEDULE

APPLICATION TO DEPOSIT NON-LISTED SECURITIES AT THE CENTRAL SECURITIES DEPOSITORY

[Made under Rule 190 (1)]

Name of Company:

Hereby applies to deposit the following securities at
the Central Depository System of the DSE (hereinafter
called "the CSD");

The Company was established in (country)

Under (Law)

On date:

Issued with incorporation certificate number (if any)

Address of the registered office

Address of each office at which a Shareholders'
Register is kept

AUTHORISED CAPITAL

(show separately the number and denomination of
each class of shares)

ISSUED CAPITAL

(show separately any different classes of shares, the
amount paid up on each class, and the dividend and
voting rights attaching to each class)

Full list of shareholders and their holdings as at the
date of application.

BUSINESS

(State the main business, the main products produced
or service performed)

SUBSIDIARIES AND ASSOCIATES

(Give a list of all subsidiaries stating in each case, the
name, nature of business and percentage holding.
Similar details should be provided for every other
company in which the Issuer holds more than ten
percent of the ordinary share capital).

OFFICES

(List Directors and the Secretary)

ACCOMPANYING DOCUMENTS

1. Evidence of approval by the Capital Markets and Securities Authority to issue securities to the public.
2. Memorandum and Articles of Association and Certificate of incorporation.
3. Letter of Undertaking.
4. Application Fees and Annual CSD Fees.
5. Business License

The Common Seal of the Company is hereunto affixed in the presence of:

Director

Director/Secretary

Date

FIFTEENTH SCHEDULE

CONTINUING OBLIGATIONS FOR NON-LISTED SECURITIES HELD IN THE CSD

[Referred to under Rule 191 (C)]

1. The Company shall advise the CSD by written statement delivered by hand or Fax transmission in accordance with the CSD procedures immediately a decision has been taken on any of the following matters:
 - I. Particulars of any of new capital whether to be issued as capitalization or by way of rights to shareholders.
 - II. Any changes in the Directors, the Secretary, Auditors and Legal Advisors.
2. The Company shall forward to the CSD as soon as issued 3 copies of all Resolutions increasing the capital, changes to articles of association and all notices relating to further issues of capital.
3. The Company shall pay application fee prior to approval being granted in respect of every application to deposit in the CSD shares issued as a result of a bonus, rights or other issues by the Company.
4. The Company agrees to pay an annual CSD fee as shall be laid down by the Board on 1st July, of every calendar year.
5. The Company agrees to recognise and register only those transfers of the securities held in the custody of the CSD where the transactions have gone through one of the CSD Members of the DSE.
6. The Company agrees in relation to its issued securities held in the custody of the CSD: -
 - I. To maintain its register of shareholders in the CSD operated by the DSE in accordance with the DSE Rules as maybe amended from time to time by the Board;
 - II. To provide the rights and benefits of shareholders in the Company, as set out in the Memorandum and Articles of the Company to all those who are recorded in the Central Depository System as the beneficial owners of shares in the Company.

SIXTEENTH SCHEDULE

APPLICATION FOR A DECLARATION OF DEFAULT

[Made under Rule 200 (2) (b)]

Default Number

.....

Name of the Applicant

.....

Registered Address

.....

Investment Held: Number of Shares/Bonds held and
Name of Security

.....

Default being declared

.....

Defaulting LDM

.....

I/We apply for the declaration of default to the DSE
following the failure

by LDM to honour my/our claim(s).

Signed (by Member)

.....

Director

.....

Signed - Director/Secretary

.....

Date

.....

SEVENTEENTH SCHEDULE
APPLICATION FOR COMPENSATION

[Made under Rule 203 (2)]

Name of the Applicant

.....

Registered Address

.....

Details of Compensation

.....

Investment Held: Number of Shares / Bonds held and Name of Security

.....

Total claim

.....

Default being declared

.....

Defaulting LDM

.....

I/We

apply for the compensation of TZS. arising from the failure by the DDM

..... to honour my/our claim(s). The application is based on the Declaration of

Default Number. dated.....

Authorisation by the DSE:

Chief Executive Officer / Board Chairman

.....

Date

.....

EIGHTEENTH SCHEDULE

CSD AGREEMENTS

[Made under Rule 161 (7)]

AGREEMENT BETWEEN A CDS MEMBER (CUSTODIAN BANK) AND THE DAR ES SALAAM STOCK EXCHANGE LIMITED RELATING TO DEPOSITORY OPERATIONS

CSD Agreement made this day of, 20.....

between

..... of P. O. Box, Dar es Salaam
(hereinafter called “the CSD Member”) of the one part

and

The Dar es Salaam Stock Exchange Ltd of P.O. Box 70081, Dar es Salaam
(hereinafter called “the DSE”) of the other part.

WHEREAS the DSE has established as CSD in which securities are to be deposited by clients through CSD Member.

AND WHEREAS has furnished, to the DSE an application for being admitted as a CSD Member.

AND WHEREAS the DSE has admitted [INSERT NAME] as a CSD Member.

NOW THEREFORE in consideration of the DSE having agreed to admit the CSD Member into its CSD as a non-LDM, the parties to this Agreement do hereby covenant and agree as follows:

1. THAT the CSD Member shall abide by these Rules and Procedures of the DSE and the Capital Markets and Securities Act, 1994 and Regulations made thereunder, wherever applicable and comply with any Orders, Directions, or Notices which may be issued or prescribed by the DSE Board from time to time in respect of its services and facilities of the CSD whether of a temporary or permanent nature.
2. THAT the CSD Member shall continue to be bound by these Rules of the DSE, notwithstanding that it may have ceased to be a CSD Member, as to all matters and transactions occurring while it was a CSD Member.
3. THAT these Rules and Procedures of the DSE shall be a part of the terms and conditions of every agreement, contract or transaction which the CSD Member may make or have with the DSE.
4. THAT the CSD Member shall furnish a list of authorised officials and their signatures thereof who shall represent and interact on its behalf with the DSE within 14 days of the execution of this Agreement and any changes including additions/deletions thereof shall be communicated to the DSE within 14 days of such change(s) or as soon as it is practicable.
5. THAT the CSD Member shall be bound by any amendment to these Rules and procedures of the DSE with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally part of these Rules

and Procedures of the DSE, provided however, that no such amendment shall affect the CSD Member's rights to cease to be a CSD Member.

6. THAT the Agreement and all contracts and transactions effected by the CSD Member with any other party, or to which the CSD Member is a party under these Rules and Procedures of the DSE or through the facilities of the DSE shall be governed by and construed in accordance with the provisions of the relevant laws as well as the Regulations of the regulatory bodies having jurisdiction over the CSD Member applicable from time to time.
7. THAT the CSD Member shall pay such fees and charges that may be payable to the DSE in accordance with Rules and Procedures of the DSE as may be amended from time to time.
8. THAT the CSD Member shall not co-mingle its own holdings held in CDS with those held on behalf of the clients. The CSD Member shall effect transfer of holdings in accordance with the DSE Rules and Procedures and only if the same is supported by a valid instruction and adequate audit trail of the same is maintained. The CSD Member shall be responsible for every action taken on the basis of any order, instruction, direction or mandate given by the account holder.
9. THAT the CSD Member shall comply with the time schedule to be specified from time to time by the DSE for data transfer.
10. THAT the CSD Member shall comply with the procures, for deposit and withdrawal of securities to and from any of its accounts maintained with the CSD as laid down under the DSE Rules and Procedures.
11. THAT the CSD Member shall keep records in such manner as may be prescribed by the DSE Rules and Procedures in respect of its use of any of the services and facilities of the DSE and allow any person duly authorised by the DSE to enter its premise, within the regular business hours on any business day where such records are kept and inspect and take copies of such records. The CSD Member shall provide, on demand, any information to the DSE relating to the contracts and transactions that the CSD Member may have under the CSD.
12. THAT the CSD Member shall reconcile its own records with those of the DSE on a daily and weekly basis and in such manner as may be specified in the DSE Rules and Procedures.
13. THAT the CSD Member shall comply with such accounting, audit, financial requirements including requirements for submission of periodic returns on its activities in relation to the CSD, in such form and in such manner and within such period as may be specified in the DSE Rules and Procedures.
14. THAT the CSD Member shall pay the DSE such amount as may be specified by the DSE Board in this regard to compensate for any loss incurred by the client due to an act omission, commission, negligence, misfeasance, fraud, wilful misconduct, errors or default on its part as an CSD Member or any of its employees in relation to the operations of the CSD.
15. THAT the CSD Member shall indemnify the DSE, in respect of securities credited in its own account towards:
 - I. losses, liabilities and expenses arising from claims of third parties and from taxes and other governmental charges; and
 - II. any other related expenses in respect of such securities as determined by the DSE.
16. THAT the CSD Member shall provide such information relating to account holders as may be required by the DSE from time to time.

17. THAT the DSE shall upon a request, provide at any time to the Issuer, the details of any credit to the CSD Member's own accounts as well as the account of clients in the CSD, including its name, and the number of securities and is also authorised to provide similar information to any appropriate Government authority in this regard as required under any law.
18. THAT the CSD Member shall notify the DSE within one business day of any change on the particulars set out in the Application Form submitted to the DSE at the time of admission or furnished to the DSE from time to time.
19. THAT the CSD Member shall notify the DSE forthwith:
 - i. When it is being wound up;
 - ii. Upon its becoming aware of the presentation of any petition for its bankruptcy, liquidation or attachment of its property;
 - iii. Upon its becoming aware of any bankruptcy order against it or in the event of any distress, execution or other process being levied or served upon or against its property;
 - iv. In case of any change in its financial position which may lead to its bankruptcy or if it suffers a composition with its creditors.
 - v. On the convening of any meeting to consider a resolution for the appointment or purported appointment of a receiver or administration in respect of any of its property, or any other change in circumstances material to its participation to the CSD.
20. THAT the CSD Member and the DSE shall abide by the arbitration procedures prescribed by the DSE Board and that such procedures shall be applicable to any disputes between the two parties.
21. THAT neither of the parties to this Agreement shall attempt to enforce by law a claim against the other part arising out of or in connection with CSD operations without having exhausted the arbitration process of the Exchange.
22. THAT the CSD Member and the DSE further agree that all claims, differences and disputes, arising out of or in relation to dealings on the CSD including any agreements, contracts and transactions made subject to the DSE Rules or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, rights, obligations and liabilities of the parties thereto and including any questions of whether such dealings, transactions agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.

IN WITNESS WHEREOF the CSD Member and the Dar es Salaam Stock Exchange Limited have caused these presents to be executed as of the day and year first above written.

SIGNED, SEALED and DELIVERED for and on behalf of the Dar es Salaam Stock Exchange Ltd

Director

Signed - Director/Secretary

Date (this day of 20.....)

DSE SEAL

In our presence

Name

Signature

Postal address

Qualification

Name

Signature

Postal address

Qualification

SIGNED, SEALED and DELIVERED for and on behalf of the CSD MEMBER's SEAL

Director

Signed - Director/Secretary

Date (this day of
20.....)

DSE SEAL

In our presence

Name

Signature

Postal address

Qualification

Name

Signature

Postal address

Qualification

**AGREEMENT BETWEEN AN ISSUER AND THE DAR ES SALAAM STOCK
EXCHANGE LIMITED**
RELATING TO DEPOSITORY OPERATIONS

AGREEMENT MADE

this day of20.....

BETWEEN

.....a public company of, P.O. Box, (hereinafter called "the Issuer") of the first part

AND

The Dar es Salaam Stock Exchange Limited, of P.O. Box 70081, Dar es Salaam (hereinafter called "the DSE") of the other part.

WHEREAS the DSE has installed a Central Securities Depository (CSD) in which securities issued by cross - listed companies are to be deposited.

AND WHEREAS the Issuer has applied for cross-listing of its securities at the DSE and the Board of the DSE has approved the cross - listing of those securities.

NOW THEREFORE in consideration for the DSE having agreed to admit the securities of the Issuer for cross - listing, the parties to this Agreement hereby covenant and agree as follows:-

1. THAT the Issuer agrees and undertakes to comply with the CSD Rules of the DSE.
2. THAT the Issuer shall be bound by any amendment to the CSD Rules with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally a part of these Rules, provided that the Issuer shall be consulted by the DSE whenever amendments to these Rules are proposed to seek its views for eventual determination by the Board.
3. THAT the agreement and all contracts and transactions effected by the Issuer under these Rules or through the facilities of the DSE shall be governed by and be construed in accordance with the provisions of the relevant laws as well as the Regulations of the regulatory bodies having jurisdiction in respect of the same from time to time.

4. THAT the Issuer shall furnish a list of authorised officials who shall represent and interact on behalf of the Issuer with the DSE within 14 days of the execution of this Agreement and any changes including additions/deletions, thereof shall be communicated to the DSE within 7 days of such change(s).
5. THAT the DSE shall allocate a unique identity code to the Issuer.
6. THAT the Issuer shall establish a continuous channel of communication with the DSE and the DSE shall provide necessary procedural guidelines to the Issuer as is necessary for effective and prompt conduct of the business of the CSD. The Issuer shall maintain such systems, procedures; means of communication, adequate infrastructure, hardware, software security devices and backup facilities as are necessary for the discharge of its obligations under this Agreement as shall be agreed between the Issuer and DSE.
7. THAT the Issuer shall maintain a backup system of its database. A copy of the latest backup of database and subsequent incremental backup shall be maintained at a designated remote site.
8. THAT the Issuer shall allow access to their systems by the DSE for periodic assessment of compliance with required systems and procedures.
9. THAT the Issuer shall furnish to the DSE information on any further issues such rights, bonus, public offerings with details namely; opening and closing dates, issue size, issue price, record date, book closure, proportion, along with a copy of the offer document.
10. THAT the Issuer shall furnish to the DSE information about book closure, record dates, dates for the payment of interest or dividend, dates for annual general meetings and other meetings, dates for redemption of debentures, dates for conversion of debentures and warrants, call money dates, amalgamation, merger, reduction of capital, reconstruction scheme of arrangement, sub-division, consolidation and conversion of debentures/debts and such other information relating to any corporate action, provided that the issuer shall have the right to outsource corporate actions as per its memorandum and Articles of Association.
11. THAT the Issuer will continue to be responsible for corporate actions. The DSE undertakes to provide the list of beneficial owners of securities with suitable details to the record date. This list shall be provided by the DSE within 14 days after such request has been received by the DSE.
12. THAT the Issuer shall indemnify the DSE in respect of any loss or liability incurred, or any claim arising in respect of any incorrect information furnished by the Issuer in respect of the CSD.
13. THAT the DSE shall indemnify and hold the Issuer harmless from any and all claims, liabilities and causes of action attributable to incorrect information supplied by DSE.
14. THAT where securities have been deposited in the accounts of the clients at the DSE CSD under intimation from the Issuer in the manner laid down under these Rules, any claims, disputes or liabilities or cause of action from a third party arising in respect of such securities shall be settled between the Issuer and such third party.
15. THAT the DSE may authorise persons who, shall have the right to enter during the regular business hours, on any working day, the premises of such Issuer where the records relating to the depository operations are being maintained and inspect and take copies thereof.
16. THAT the DSE shall provide to the Issuer updates of Beneficial Owners on a monthly basis
17. THAT the DSE shall in its discretion provide any other details that may be required by the Issuer from time to time on payment of such charge as may be prescribed by the Board.

18. THAT the Issuer shall inform the DSE of any proposed changes in the address of the Registered offices, Corporate Office, not less than thirty days before the date of such change.
19. THAT the Issuer may appoint a Registrar who may perform the functions of the Issuer under this Agreement.
20. THAT the Issuer shall not change, discontinue or substitute its Registrar unless the alternative arrangement has been agreed to by the DSE.
21. THAT the Issuer shall not assign to any other person/entity its functions and obligations, relating to transactions with the Depository, without the approval of the DSE.
22. THAT the parties undertake that in the event of any disputes arising out of this Agreement they shall always ensure that such disputes are resolved amicably.
23. THAT in the event the disputes fails to be settled amicably the parties to this Agreement shall resort to the Arbitration procedures prescribed under the DSE Rules and that such procedure shall be applicable to any disputes between the DSE and the Issuer.
24. THAT neither of the parties to this Agreement shall attempt to enforce by law any claim, against the other part, arising out or in connection with the Agreement without first having tried to resolve the dispute amicably and secondly having exhausted the Arbitration process of the Exchange.
25. THAT the parties to this Agreement further agree that all claims, differences and disputes, arising out of or in relation to dealings on the depository including any agreements, contracts, and transactions made subject to these Rules of the DSE or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered or not, which cannot be resolved amicably or by Arbitration process of the Exchange shall be referred to the High Court of Tanzania.

IN WITNESS WHEREOF the parties to this Agreement have caused these presents to be executed as of the day and the year first above written.

SIGNED, SEALED and DELIVERED for and on

behalf of:

Director

Signed - Director/Secretary

Date (this day of
20.....)

ISSUER'S SEAL

In our presence

Name

Signature

Postal address

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Qualification

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Name

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Signature

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Postal address

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Qualification

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Name

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Signature

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Postal address

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Qualification

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SIGNED, SEALED and DELIVERED for and on behalf of the Dar es Salaam Stock Exchange Ltd

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Director

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Signed - Director/Secretary

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Date (this day of 20.....)

.....

DSE SEAL

.....

In our presence

Name

.....

Signature

.....

Postal address

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Qualification

.....

Name

.....

Signature

Postal address

Qualification

**AGREEMENT BETWEEN AN AUTHORISED CENTRAL DEPOSITORY OPERATOR
(CSD MEMBER) AND A CLIENT RELATING TO CENTRAL DEPOSITORY
OPERATIONS**

AGREEMENT MADE

this.....day of.....20.....

BETWEEN

..... of P.O. Box(hereinafter called "the CSD Member") of the one part;

AND

.....of P.O. Box (hereinafter called "the Client") of the other part

WHEREAS the CSD Member is duly approved by the Dar es Salaam Stock Exchange (DSE) to open and maintain its own and clients' accounts at the CSD of the DSE.

AND WHEREAS the Client has furnished to the CSD Member duly filled Depository Account Application Form [CD 1(a) or CD 1(b)] requesting therein to open an account with the DSE CSD.

NOW THEREFORE in consideration for the CSD Member having agreed to open an account for the Client, both parties do hereby covenant and agree as follows:

1. THAT the Client shall have the right to obtain the securities which have been deposited at the DSE - CDS through the manner laid down under DSE Rules.
2. THAT the CSD Member undertakes not to create or permit to subsist any mortgage, charge or other encumbrance over all or any of such securities deposited at the CSD except on the instructions of the Client and in accordance with DSE Rules.
3. THAT the CSD Member undertakes to maintain a separate account of its own securities held in the CSD of the DSE and shall not commingle the same with the securities held in the CSD on behalf of the Client.
4. THAT the CSD Member undertakes that a transfer to and from the account of the Client shall be made in accordance with the DSE Rules and only on the basis of an order, instruction, direction or mandate duly authorised by the Client in writing and that the CSD Member shall maintain adequate audit trails of such authorisation(s).
5. THAT the CSD Member undertakes to provide a statement of account to the Client at monthly interval unless the CSD Member and the Client have agreed to the provision of such statements at shorter intervals.
6. THAT the Client shall have the right to terminate this Agreement and close his account held through the Authorised CSD Member by specifying therein that the balances, if any, in its account be transferred to another account of the client held with another CSD Member or decide to withdraw the securities from the CDS. The CSD Member shall initiate the procedure for transferring or withdrawing such account within two days of termination of the Agreement as per the laid down Rules of the DSE.

7. THAT the CSD Member shall have a right to provide such information related to the Client's account as may be requested by the DSE in accordance with the DSE Rules from time to time.
8. THAT the Client shall have the right to create a mortgage charge or encumbrance over 1 or an of such securities held in the depository in accordance with the procedures laid down under the CSD Rules of the DSE.
9. THAT the CSD Member shall not be liable to the client in any manner whatsoever towards losses, liabilities and expenses arising from the claims of third parties and from taxes and other governmental charges in respect of securities credited to the Client's account.
10. THAT the Client shall notify the CSD Member within seven days, of any change in the details set out in the Application Form submitted to the CSD Member at a time of opening the account or furnished to the CSD Member from time to time.
11. THAT the parties undertake that in the event of any disputes arising out of or in connection with this Agreement they shall always ensure that such disputes are resolved amicably.
12. THAT in the event the dispute fails to the settled amicably
13. THAT the CSD Member and the Client further agree that all claims, differences and disputes arising out of or in relation to dealings on the Central Depository System of the DSE including any transactions made subject to the CSD Rules or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions have been entered into or not, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.

IN WITNESS WHEREOF the parties have caused these presents to be executed as of the day and year first above written.

SIGNED, SEALED and DELIVERED for and on behalf of the CDS Member:

In its capacity as:

Signed - Director/Secretary

Authorised CSD Member's

Date (this day of
20.....)

In the presence of:

Name

Signature

Postal address

Qualification

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**SIGNED, SEALED and DELIVERED for and on
the CLIENT:**

Signed - CLIENT

Date (this day of
20.....)

In the presence of:

Name

Signature

Postal address

Qualification

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