

CAPITAL MARKETS AND SECURITIES AUTHORITY



Clients Service Charter

1. Profile of the Capital Markets and Securities Authority (CMSA)

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

Capital markets in Tanzania is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002 (CMS Act). The CMS Act is supplemented by more than 20 Regulations and Guidelines governing various aspects of the capital markets.

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

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

Our Vision

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

Our Mission:

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

The objectives of the CMSA are:

- i) Foster fair, transparent, competitive, orderly and informed markets for securities in Tanzania;
- ii) Provide an appropriate degree of the protection of investors in capital markets from unfair, improper and fraudulent practices;
- iii) Promote and facilitate the development, regulation, stability, integrity and discipline in the commodity exchange markets.
- iv) Promote the confidence and informed participation of investors in the capital markets in Tanzania;
- v) Promote and facilitate the development of the capital markets;
- vi) Actively participate and contribute to a process for identifying, monitoring, mitigating systemic risk in capital markets;
- vii) Maintain an updated capital markets and commodity exchanges regulatory regime;
- viii) Ensure that conflicts of interest and mismanagement of incentives are avoided, eliminated, disclosed or otherwise managed;
- ix) Suppress and prevent financial crimes and illegal practices in capital markets;
- x) Minimize cross-border risks and crimes and promote domestic financial stability.

Our Priorities Includes:

- i) Supervising and regulating the capital markets and commodity exchanges sector to ensure sustainable market transparency and integrity;
- ii) Creating a level playing field through better licensing and supervision of the markets and market professionals;

- iii) Broadening and deepening of the markets by integrating all sectors of the economy into the capital markets and operationalizing the commodity exchange;
- iv) Conducting capital and commodity markets awareness campaigns among investors, issuers, farmers, policy makers and the general public.

2. The Purpose of the Charter

The Clients Service Charter sets out the service standards that our stakeholders and the general public expects from the CMSA and how these services will be provided to them. It outlines the core values and service delivery commitments and what are expected from our stakeholders and the general public.

The Charter provides:

- i) Improved awareness of the availability and quality of the services offered;
- ii) An opportunity to our stakeholders to understand what we commit ourselves to do;
- iii) What to expect by way of service standards;
- iv) Stakeholders rights and procedures for reporting complaints, and
- v) Transparent mechanisms for contact, accessibility and complaints handling.

3. Our Principles of Service Delivery:

We pledge through this charter to abide to the 9 Principles of Public Service delivery as follows:

- i) **Set standards of service:** We will set clear standards of service that users can expect; monitor and review performance; and publish the results, following independent validation wherever possible;
- ii) **Be open and provide full information:** We will be open and communicate clearly and effectively in plain language, to help people using the capital markets and commodity exchanges sector's services; and we will provide our stakeholders and clients with full information and services, and on our performance on an annual basis;
- iii) **Consult and involve:** We will consult and involve our present and potential stakeholders in the capital markets and commodity exchanges sector as well as our employees and use their views to improve the services delivery in the sector;
- iv) **Encourage access and the promotion of choice:** We will endeavor to make services easily available to everyone who needs them. We will encourage the use of technology as resources permit, and we will offer clients with choices wherever possible;

- v) **Treat all fairly:** We will treat all people fairly; respect their privacy and dignity; be helpful and courteous; and pay particular attention to those with special needs and vulnerable groups;
- vi) **Put things right when they go wrong:** We will attempt always to put things right quickly, efficiently and effectively; learn from complaints; and have a clear, well-publicized, and user-friendly complaints procedure, with the possibility of independent review wherever possible;
- vii) **Use resources effectively:** We will use resources effectively to provide best practices and accountability to taxpayers, donors and other stakeholders;
- viii) **Innovate and improve:** We will continually look for ways to improve the services, investment opportunities and facilities offered in the industry;
- ix) **Work with other regulators and the Government:** We will work with Ministries, Departments and Agencies (MDAs) and other regulators to ensure that services are simple to use, effective and coordinated, and facilitate licensed persons in the capital markets and commodity exchanges sector to deliver better services to their end-users.

4. Our Clients and Users:

The CMSA strives to maintain harmonious relationship with licensed persons, issuers of securities, the government, other key stakeholders and the general public.

- i) Securities and Commodity Exchanges (DSE and TMX), Collective Investment Schemes (CIS), stock brokers, commodity traders, fund managers, investment advisers, Nominated advisers, Custodians, issuers, securities clearing houses, securities depository and all other securities market intermediaries licensed, regulated or authorised by the CMSA;
- ii) The Government and law enforcement agencies;
- iii) Employees;
- iv) International securities regulators, other regulators, associations, cooperation;
- v) Business community, development partners, investors and the general public.

5. Our Services:

The functions of the CMSA as per Section 10 of the CMS Act are to:

- i) Regulate the capital markets;
- ii) License or approve, as the case may be, the regulated persons and regulated activities with a view to maintaining proper standards of conduct and professionalism in the capital markets;

- iii) License and regulate in accordance with this Act, securities, futures, options and derivatives exchanges, and any other recognized securities and derivative trading in Tanzania;
- iv) Formulate principles for the guidance of the capital market industry;
- v) Establish legal framework that adequately address risks posed to investors in order to facilitate and promote market fairness, efficiency, transparency and avoid risks to the financial system;
- vi) Monitor, regulate and maintain surveillance over the operations of the regulated persons and regulated activities;
- vii) Conduct research into all or any aspect of the capital markets and collect, compile, publish and disseminate data and information on the capital markets;
- viii) Conduct public education programmes, to ensure the understanding by the public of capital markets of the benefits, risks and liabilities associated with investing in the capital markets and trading in securities;
- ix) determine the licensing or approval criteria, as the case may be, conditions and the minimum capital requirements for licenced operators or intermediaries in the capital markets industry;
- x) Monitor the solvency of the licence holders and take measures to protect the interest of investors where the solvency of any such licence holder is in doubt;
- xi) Inquire into the affairs of, conduct routine or ad hoc inspections of the documents, reports and records of any licensed, regulated person or any public company, securities exchange or issuer of securities;
- xii) Adopt measures to minimize and supervise any conflict of interest that may arise with respect to the regulated persons and regulated activities;
- xiii) Regulate and approve offers of securities;
- xiv) Monitor and supervise all unlisted public companies that have issued securities to the public;
- xv) Prepare guidelines and organize training programmes and disseminate information necessary for the establishment of securities and derivatives exchanges;
- xvi) Facilitate the establishment and linking of infrastructure for securities and derivatives trading;
- xvii) Protect the integrity of the securities market against all forms of abuses by taking legal or administrative measures to prevent fraudulent and unfair trade practices including insider dealing;
- xviii) Adopt measures or design processes to identify, evaluate, minimize and manage any conflict of interest that may arise with respect to regulated persons and regulated activities;
- xix) Review, approve and regulate mergers, acquisitions, takeovers and all forms of business combinations affecting listed and public companies;

- xx) Authorize and regulate cross-border securities transactions;
- xxi) Liaise effectively with regulators and supervisors of other financial institutions locally or overseas including entering into Memoranda of understanding or agreements on matters of common interest;
- xxii) Advise the Minister on all matters relating to the capital market industry;
- xxiii) Perform such other functions as are necessary or expedient for giving full effect to the provisions of this Act.

Powers of the CMSA

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

- i) Act in the public interest having regard to the protection of investors and the maintenance of fair and orderly markets;
- ii) Create the necessary environment for the orderly growth and development of the capital markets;
- iii) Adopt or adapt a process or participate in a process with other regulators or government policy makers, for conducting regular reviews of products, markets, market participants and activities so as to identify and assess possible risks to investor protection, fairness in the markets, efficiency and transparency or other risks to the financial system;
- iv) Regularly review the perimeter of regulation in order to identify and make an assessment of the risks to investors;
- v) Take measures to avoid, eliminate or require specific disclosures or otherwise manage conflict of interest situations or misalignment of incentives and ensure that the measures taken are accessible to investors or other users of services or product.

6. Our Core Value:

The CMSA is committed to adherence to the 8 public service Core Values in delivery of its services to the key stakeholders and the public as follows:

- i) Pursuit of Excellence in Service Delivery;
- ii) Loyalty to Government; (Authority);
- iii) Diligence to Duty;
- iv) Impartiality in Service;
- v) Integrity;
- vi) Courtesy to All;
- vii) Respect for the Law;
- viii) Proper Use of Official Information.

7. Our Guaranteed Standards:

In support of the tenet of the above values, will strive at all times to continuously improve the standards of our services in terms of the:

- i) Quality of our relationship with clients;
- ii) Quality of the services provided;
- iii) Timeliness of service delivery.

We will always endeavour to provide consistent, accurate and impartial advice in the capital markets and commodity exchanges sector.

7.1. Quality of our Relationship with Clients

Staff Manner: We will require and train our staff to be friendly, helpful, respectful, action oriented and sensitive to the clients' individual needs.

Information sharing: We will provide our stakeholders with necessary information to enable them to participate effectively in the capital markets and commodity exchanges sector.

7.2. Quality of Service Standards:

We are striving continuously to improve the quality of our service provision with regard to the following:

Responsiveness: We will deal with all referrals as promptly possible.

Clarity: We will ensure that all letters, financial reports and publications, processes and other information is as clear as possible and able to be understood by people with challenges.

Accuracy: We will monitor the accuracy of advice, information and financial transactions.

Appropriateness: We will seek to ensure that our services fit clients' needs and circumstances – particularly the special needs of the disabled or other disadvantaged groups.

Information Technology: We will maintain the IT standards in line with international best practices.

Response for client contacts: We will deal with letters, e-mails and phone messages as quickly as possible and always respond within 5 working days from the date of receipt.

Appointments: We will ensure that all appointments are promptly dealt with. The service will be delivered without prejudice, favouritism and within 10 minutes from the time appointment was sought. We will do our best to avoid any inconvenience, and regret with apology.

Telephone Service: We guarantee to shorten the time to access individual staff to respond to external calls and vice versa within the minimum time not exceeding 10 minutes. We therefore promise to interact diplomatically and value others through effective communication.

Complaint Resolution: Our procedure for clients to make complaints and the standards they can expect of the complaints handling process are set out below. We guarantee to respond in acknowledgement of all complaints as soon as they are received. Furthermore, we guarantee that response, suggested solutions, or progress report will be provided as soon as possible but not exceeding 30 days from the date of receipt of the complaint.

7.3. Time Lines of Service Delivery

Timeliness-related Standards for Processing Core Activities:

These cover the speed and efficiency of the administration of our service delivery processes. We will pursue opportunities for continuous improvement in the following areas:

TYPE OF SERVICE	REQUIREMENTS	USER CHARGES (TZS)	TIME LINE
Response to verbal enquiries at the reception desk	none	free	immediately
Response to phone call at the switch board	none	free	Within 4 rings
Response to written correspondence	<ul style="list-style-type: none"> Email, postal address social media channel 	free	Immediately depending on the nature of the subject but not more than five working days

Prequalification to supply of goods and services	Tender application	Free	As per Public Procurement Act 2013
Payments of goods and services	Invoice, LPO, delivery note	free	Within 30 days
Refund for fees and levies	Refund claim with supporting documents	free	Within 30 days from the date of decline of the license
To be attended to by an official	Request for an appointment	free	Immediately
	Visit with appointment		Immediately as per the time schedule
	Visit without appointment	free	Immediately depending on the availability of the appropriate officer
Duration of inspections	Pre Licensing inspection	free	Within 14 days after application
	Routine inspections	free	annually
	Ad hoc or targeted	free	As and when

	inspection		the need arises
	Complex ad hoc or targeted inspection	free	As and when the need arises
Handling complaints	Specific details and disclosure of identity	free	<ul style="list-style-type: none"> • Simple cases within five working days • Complex cases 30 to 90 working days
Access to compliance checks results	Completed compliance check	free	immediately
Appeal against inspection results	<ul style="list-style-type: none"> • Written appeal within 30 days upon receipt of results • Supporting documents 	free	Within 30 days from the date of receipt of the decision
Communication on license applications	Submission of completed application in compliance with the Capital Markets Act and the Commodity Exchanges Acts and Relevant Regulations and	free	Within 90 days of receipt of the application

	Guidelines		
Appeals against license application	With possession of the formal decision of the Authority and supporting documents	Payment of fees as per the Capital Markets Tribunal Rules	Within 30 days of the receipt of the appeals
Communication on issuance and approval of prospectuses	Submission of completed application in compliance with the law	As per approved fee structure	Within 21 days of receipt of the application
Appeals against issuance and approval of application	With possession of the formal decision of the Authority and supporting documents	Payment of fees as per the Capital Markets Tribunal Rules	Within 30 days of the receipt of the appeals
Application for recruitment	Submission of completed application in compliance with the requirement for the advertisement of the post	free	Within 90 days as per the Public Service Regulations
Publication of periodic reports	Quarterly reports to the Ministry of Finance and Planning	free	First week after the end of the quarter

	Annual reports	free	Within 6 months after the end of the quarter
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8. Our Relationship with and our Responsibilities to Clients

- i) Maintenance of good working partnership and excellent relationship with our clients.
- ii) We adhere to the rights and responsibilities of the clients.
- iii) Maintenance of highest standards in respect of the following: -
 - a. Provision of consistent, accurate and impartial advice
 - b. Training of our staff to be friendly, helpful, respectful, action oriented, and sensitive to the clients need.

9. Clients Rights and Obligation

We have attempted in this charter to set out our service promises in respect of what we believe clients have a right to expect in terms of standards, and we have consulted them in consideration of this. In addition to the right to high standards of service delivery we consider that clients also have the following rights.

9.1 Clients Rights

Clients have the rights to:

- i) give views and comments during the review of the charter
- ii) Review the charter
- iii) Lodge a complaint (contacts to lodge comments or complaints are indicated under item 10.1 and 10.2 below)
- iv) Privacy and confidentiality
- v) Seek information about themselves subject to prescribed procedures
- vi) Access services, facilities and information in a manner which meets their needs – particularly the special needs of the disabled or otherwise disadvantaged

Similarly, we believe that clients have certain responsibilities to abide by certain codes of conduct and behaviour, to help us to provide good service to them, and to ensure a successful ongoing relationship.

9.2 Clients obligations

Clients are obliged to:

- i) Treat our staff with courtesy,

- ii) Refrain from offering gifts, favours or inducements to CMSA staff, or to solicit the same,
- iii) Attend scheduled meetings punctually,
- iv) Respond to requests for information precisely, accurately, thoroughly and timely,
- v) Abide to legal requirements and other obligations that they must meet in order to be eligible for payments or services sought.

10. Feedback and constructive criticism

We welcome constructive criticism and feedback about services delivered as well as appreciation and suggestions on how we might improve them. Furthermore, we promise that complaints and suggestions will be taken seriously and dealt with as quickly as possible by a respective Department or Unit.

Praise, acceptance and appreciation are strong reinforcement to our services. Constructive criticism and correct responses are welcome to correct wrong methods, procedures and behaviors along the lines of customer oriented services. Any inconvenience will be notified with apology.

10.1 How to give feedback on this Charter

We welcome feedback about this Client Service Charter. We want it to be a living document. It should therefore, be about our services and the standards we aspire to provide, and also how users can contribute to setting them. Comments and suggestions should be sent through the CMSA website or through the indicated contact to:-

CAPITAL MARKETS AND SECURITIES AUTHORITY

**CHIEF EXECUTIVE OFFICER,
Capital Markets and Securities Authority,
6th Floor, Garden Avenue Tower,
Ohio and Garden Avenue,
P.O.BOX 75713 Dar es Salaam,
Tel: +255 22 2114959 / 61
Fax: +255 22 2113846,
Email: info@cmsa.go.tz,
Website: www.cmsa.go.tz.**

10.2 Records of Complaints

We will record all complaints, compliments and suggestions of which they will be used for our internal monitoring and evaluation process. The records will also help the process of annual self-assessment benchmarking by the Management team of CMSA and contribute to improve client services. Whilst we expect and require that complainants must identify themselves, we guarantee that all information, including personal information and details will be treated with the utmost confidentiality. Complaints may be made through the website, by post, telephone, fax or e-mail or in person to the Chief Executive Officer to the above mentioned address.

11. Maintaining and Reviewing this Charter

We intend to review this Charter every year. We will monitor and evaluate our own performance and the success (or otherwise) of this Charter with the assistance of independent surveys and through consultation with our clients and stakeholders. We intend that this charter should be a living document that evolves in line with changes that occur in the society as a whole, and that affect our clients in particular. We wish to ensure its ongoing relevance and effectiveness and we will regularly review whether:

- i) The charter continues to reflect our approach to client service and any significant new initiatives in the capital markets and commodity exchange operations,
- ii) The service commitments and standards are still aligned to the needs and priorities of clients and key stakeholders,
- iii) The charter continues to meet the clients' service principles and core values,
- iv) The current content is accurate,
- v) The format, design and availability meet clients' needs,
- vi) We are maintaining reliable and effective data collection on client feedback, service standards and complaints,
- vii) Changes should be made to our complaints handling processes for example if we are unable to resolve a satisfactory number of complaints without clients feeling the need to appeal to external bodies.

In order to be open and accountable we will consult with clients and stakeholders during our review process, and consult external sources such as the International Organization of Securities Commissions (IOSCO Members), Eastern and Southern Africa Anti Money Laundering Group (ESAMLG), East African

Securities Regulatory Authorities (EASRA), Committee of Insurance, Securities and Non-Bank Authorities of the SADC (CISNA), East African Community (EAC), Commission on Human Rights and Good Governance, Ministry of Finance and Planning, donor community, as well as service delivery surveys and customer focus groups.

12. Reporting Performance Against Standards

We will continue to make ourselves publicly accountable for our performance and operations by publishing our client service charter and information on our level of compliance to the promises, commitments and guarantees we have made. In addition, we will regularly monitor the level of clients' awareness of the charter. Data and information obtained will inform the process of annual self-assessment benchmarking by our management team. Specifically we will:

- i) Publish performance against our Charter commitments in our Performance review reports and in the Annual Report,
- ii) Provide charter performance information to the Board,
- iii) Report on performance to our key clients and stakeholders. This will help to ensure openness and accountability so that an on-going relationship with clients, stakeholders and CMSA staff is maintained,
- iv) Publish a summary, with reference to complaints data, and CMSA's general response to complaints, in our annual report,
- v) Provide summary information annually to the Board of the Authority.

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