

GOVERNMENT NOTICE NO. published on

THE CAPITAL MARKETS AND SECURITIES ACT,
(CAP. 79)

REGULATIONS

(Made under sections 10(1)(a) and 148(1)).

THE CAPITAL MARKETS AND SECURITIES (PRIVATE EQUITY AND VENTURE
CAPITAL) REGULATIONS, 2024

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THE CAPITAL MARKETS AND SECURITIES ACT,

(CAP. 79)

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(Made under sections 10(1)(a) and 148(1))

THE CAPITAL MARKETS AND SECURITIES (PRIVATE EQUITY AND VENTURE CAPITAL) REGULATIONS, 2024

**PART I
PRELIMINARY PROVISIONS**

| | |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Citation | 1.- These Regulations may be cited as the Capital Markets and Securities (Private Equity and Venture Capital) Regulations, 2024. |
| Application | 2.- These Regulations shall apply to all private equity and venture capital business operating in the United Republic of Tanzania through issuance of equity and debt. |
| Objectives | 3.-(1) The objectives of these Regulations are to: <ul style="list-style-type: none">(a) provide guidance for establishment and operation of private equity and venture capital business undertaking in the United Republic of Tanzania;(b) regulate venture capital business including equity and debt securities within the United Republic of Tanzania;(c) provide investor protection and public awareness on venture capital business in line with best practice;(d) widen the scope of alternative financing through diversification of financial products; and(e) enhance overall start up and innovation ecosystem to drive economic growth. |
| Interpretation | 4.- In these Regulations, unless the context otherwise requires— |
| Cap.79 | “Act” means the Capital Markets and Securities Act; |
| Cap. 423 | “AML/CFT Act” means the Anti Money Laundering Act; |
| Act No. 10 of 2009 | “AMLPOC Act” means the Anti Money Laundering and Proceeds of Crime Act of Tanzania Zanzibar; |

“affiliate” means any subsidiary or holding company or such registered private equity and venture capital company and any subsidiary of such holding company;

“Authority” means the Capital Markets and Securities Authority established under section 6 (1) of the Act;

“fund” means the pool of capital held by a registered venture capital company or a private equity company for investment in venture capital, in accordance with a specifically declared investment policy;

“Fund manager” means a company licenced by the authority to manage the funds and investments of a registered venture capital company;

“Portfolio company” means a company that receives investment from private equity or venture capital firm.

“Private equity fund” means a fund that pools funds from sophisticated investors to invest in private companies for the purpose of generating or making returns on their growth;

“Private fund” means-

- (a) privately pooled investment vehicle which collects funds from sophisticated investors for investing in accordance with a defined investment policy for the benefits of its investors;
- (b) funds raised through subscriptions by way of private placements only and not through public subscriptions; or
- (c) any other type of fund declared by the Authority from time to time, to be a private fund.

“Private placement” means a transaction offered to sophisticated investors not involving public offering;

“small and medium size business” means a business enterprise which at the time of first investment by the registered venture capital company has assets with a market value or annual turnover as may be prescribed by relevant legislation;

“sophisticated investor” means a high net worth investor to whom an offer is made and who have previous experience or skills in investing in securities that allows them to assess:

- (a) the merits of the offer;
- (b) the value of the securities;
- (c) the risks involved in accepting the offer;
- (d) their own information needs; and
- (e) the adequacy of the information.

“start-up financing” means financing provided by a venture capital company for the purpose of commencing operations, production or implementation of innovative business where a venture capital enterprise has completed the seed stage of

development;

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“venture capital company” means a company incorporated or registered under the Companies Act with the primary objective of providing substantial capital to small and medium size businesses in Tanzania through equity, debt or other instruments as well as managerial or technical expertise to such business entities;

“venture capital enterprise” means a small or medium sized business entity incorporated under the Companies Act which is in need of finance for purposes of financing a new product or for expansion of the business entity;

“venture capital funds” means an investment fund that manage the money of investors who seek equity stakes in startup and small to medium size enterprises with strong growth potential and characterized with high risk or high return opportunities.

PART II REQUIREMENTS FOR LICENSING A FUND MANAGER

Licensing of
Fund Manager

5.- No person shall act or be appointed as a fund manager for the purposes of a registered private equity or venture capital fund or any of its funds unless such person is duly licensed by the Authority.

Eligibility
criteria for Fund
Manager

6.- (1) An entity intending to carry out the business of fund management shall -

- (a) have a minimum paid up share capital as may be prescribed by the authority;
- (b) have a board of directors of which at least one third of the directors are independent directors
- (c) have its principal object the provision of capital to small and medium size businesses in Tanzania

Application for
licensing

7.-(1) An application for licensing shall be made by a person in the prescribed form set out in the First Schedule and shall be accompanied by the following-

- (a) a certified copy of certificate of incorporation of the applicant;
- (b) a certified copy of memorandum and articles of association of the applicant;
- (c) audited financial statements for three years immediately preceding the date of application, the latest of which shall not be older than six months as at the date of application (where applicable)
- (d) a certified copy of the board resolution approving the application for

licensing;

(e) investment policy in respect of each fund to be operated by the applicant setting out -

(i) investment objectives;

(ii) minimum and maximum investment amounts in any single enterprise;

(iii) investment rules, investment process including minimum commitment and investment periods and procedures for draw down and exposure limits to individual eligible venture capital enterprises;

(iv) a clear strategy for the diversification of investments in eligible venture capital enterprises;

(v) particulars of fees and charges;

(vi) profile of companies invested in (where applicable); and

(vii) details of risks factors that are specific to the chosen investment sectors, or sectors intended to be invested in;

(f) a letter of acceptance of the appointment from the fund manager

(g) letter of acceptance from a custodian

(h) a declaration by the directors;

(i) business references from at least two companies in which the applicant has invested explaining the nature and duration of the investment(s) and the contribution applicant has made to the business of the company providing the reference (where applicable);

(j) the prescribed application fee; and

(k) any further information that the Authority may deem necessary to determine the application.

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1996

(2) An application for a license to operate a fund management activity shall be in accordance with section 10(g) of the Act and the Capital Markets and Securities (Licensing) Regulations.

Evaluation of
application and
grant of license

8.-(1) The Authority upon receipt of an application shall evaluate the application within forty-five days and after being satisfied that the application meet the approval requirements shall grant an approval;

(2) Where the application fails to meet the licensing requirements, the Authority shall upon giving the applicant the opportunity to be heard, reject the application and inform the the applicant in writing explaining the grounds for rejection of the application; and

(3) The approval granted shall contain terms and conditions as the Authority may determine and shall not be transferable.

Certificate of license **9.**-(1) The Authority may, on satisfying itself that an applicant meets the requirements for licensing, licence the applicant and issue a certificate of licence.

(2) The certificate of licence issued under sub-regulation (1) shall remain in force for a period of one year and be subjected to renewal of upon expiry.

Fees **10.**- The fund manager shall pay the prescribed annual and admission fees upon licensing.

Letter of no objection. **11.**-The licensed fund manager shall not change its shareholders, directors or custodian unless it has received a written confirmation stating that the Authority has no objection to the proposed change.

Obligations of the Fund Manager **12.**-(1) Notwithstanding the provisions of any fund management agreement, the fund manager shall-

(a) ensure that a prudent investment policy is in place in respect of each fund;

(b) have exclusive authority to manage and administer the portfolio investments of the venture capital fund or private equity fund in accordance with the constitutive documents and in terms of the management agreement;

(c) ensure that investments are carried out in accordance with the disclosed investment policy and in compliance with the Act and all other applicable laws;

(d) manage the assets of the venture capital fund or private equity fund in the interests of investors in good faith and to the best of its ability and without gaining undue advantage for itself, its officers or any of its related parties;

(e) ensure that all investments are approved by the Fund's investment

committee before investing in a portfolio company;

- (f) establish and maintain sufficient risk management systems and controls to enable it to identify, assess, mitigate, control and monitor risk in the best interests of investors;
- (g) collect undertakings from investors, prior to the investors investing in the fund to the effect that they understood the constitutive documents and are fully aware of the risk and return potentials of the investment in the fund;
- (h) undertake valuation of investments of the Fund as per the valuation methodology, at least annually, by an independent valuer other than statutory auditors of the fund;
- (i) act responsibly in a fiduciary capacity towards the investors and disclose all conflicts of interest to the investment committee as and when they arise or seem likely to arise;
- (j) promote and maintain ethical standards of conducts and deal fairly and honestly with investors, the private fund, the venture capital fund, portfolio companies and other stakeholders;
- (k) be accountable to private equity fund or venture capital fund by fully disclosing information in a manner that is clear, fair and not misleading;
- (l) maintain adequate human, financial and operational resources for its business;
- (m) maintain at its registered office, proper books and records of accounts and activities undertaken in connection with the private equity fund or venture capital fund to ensure a true and fair view to be formed of the-
 - (i) assets and liabilities of the venture capital fund or private equity fund;
 - (ii) profit and loss accruing out of the operation of the venture capital fund or private equity fund;
 - (iii) transactions undertaken with respect to the venture capital fund or private equity fund;

- (iv) amounts received in respect of the issue of units; and
- (v) pay-outs, if any, by way of distributions to the investors.
- (n) disclose the audit report to investors on the accounts including comments on the investments made by the Fund.
- (o) within thirty days of close of the semi-annual of the venture capital fund or private equity fund, prepare an interim financial statement with respect to the Venture capital fund or private equity fund.
- (p) ensure compliance with the requirements of the reporting persons obligations stipulated under AML/CFT Act and AMLPOC Act;
- (q) perform any other obligation as may be required by the Authority.

Revocation of
fund
management
licence

13.-(1) A fund management licence may be suspended or revoked where -

- (a) directors or employees have not performed their duties honestly and fairly in the opinion of the Authority;
- (b) contravenes or fails to comply with any condition of the license;
- (c) is in breach of the Act or Regulations made under the Act;
- (d) fails to comply with a direction of the Authority;
- (e) fails to pay the prescribed annual fee for a period of two consecutive months following the required date of payment;
- (f) makes a written request to the Authority requesting for revocation;
- (g) fails to provide the Authority with information required, or provides false or misleading information.

(2) suspension of a license shall be for a specified period or until the occurrence of a specified event or until specified conditions are complied with and while a license is suspended the holder shall not carry out the business to which the licence relates.

(3) Without prejudice to subregulation (1), the Authority shall revoke a license where the licensee-

- (a) goes into liquidation, is wound up or is subject to winding up; or

(b) ceases to carry on the business for which it is licensed;

(4) For the purposes of sub regulation (3), a licensee shall be deemed to have ceased to carry on the business for which the license is issued where he does not commence or carry on business for more than six months without the prior approval of the Authority.

(5) The Authority shall not revoke or suspend a licence without affording the licensee a right of being heard.

Effect of
suspension
or
revocation

14.- (1) The suspension or revocation of a licence shall not operate so as to –

- (a) avoid or affect an agreement, transaction or arrangement entered into by the licensee and investors or portfolio company where the agreement, transaction or arrangement was entered into before the revocation or suspension; or
- (b) affect a right, obligation or liability arising under an agreement, transaction or arrangement that was entered before the suspension or revocation.

(2) Where a licence is suspended or revoked, the Authority may by notice in writing:

- (a) require a fund manager to furnish a report within fourteen days of the date of revocation consisting of information and documents relating to its contractual duties including-
 - (i) statements pertaining to the funds under its management;
 - (ii) details of the investment portfolio and details of the cost of such investment and estimated yields;
 - (iii) statements relating to any incomplete transactions;
 - (iv) records required to be maintained by the fund manager; and
 - (v) particulars of all contact persons for purposes of follow up of the investment portfolios;
- (b) permit the licensee to –
 - (i) in the case of a suspension, carry on only essential business

- operations for the protection of interests of clients during the period of suspension; or
- (ii) in the case of a revocation, carry on business operations for the purpose of closing down the business connected with the revocation.

PART III
APPROVAL OF VENTURE CAPITAL FUNDS

Requirements for approval

15.-(1) A person shall not offer, operate or provide venture capital fund business in Tanzania unless -

(a) the fund is authorised by the Authority; and

(b) the manager and custodian of the fund are—

(i) authorised by the Authority, upon application made in writing to act as manager or custodian, regard being had to their financial standing, their knowledge and experience of investment business and their honesty and integrity;

(ii) corporate bodies designated as such in the fund; and

(iii) independent of each other.

(2) An application to offer, operate or provide venture capital services shall be made by a manager of the fund.

Furnish of information memorandum

16.-(1) A fund manager seeking to raise funds for venture capital activities shall furnish the information memorandum to potential investors containing details on the terms and conditions on which funds are to be raised.

(2) The details of the Information Memorandum prescribed in sub-regulation (1) are set out in the Second Schedule.

Approval letter

17.-(1) The Authority may, on satisfying itself that an applicant meets the requirements for approval, register the fund and issue a letter of approval.

(2) The approval of registration issued under sub-regulation (1) shall remain in force until wound up or revoked by the Authority.

Fees

18.-(1) Upon registration, the registered venture capital fund shall pay the prescribed approval fees in respect of each fund.

(2) Every fund of the registered venture capital business shall pay a prescribed annual fee.

Letter of no objection.

19.-The registered venture capital fund shall not change its shareholders, directors

or custodian unless it has received a written confirmation stating that the Authority has no objection to the proposed change.

Investments
Allocation in
Venture Capital
Funds

20.-(1) A venture capital fund shall: -

- (a) invest in unlisted securities of start-ups, pre-seed, seed, emerging or early-stage companies mainly involved in new products, new services, technology or intellectual property right based activities or a new model:
 - (i) a venture capital fund shall not invest more than 25% of the fund in listed securities;
 - (ii) a venture capital fund shall not invest more than 25% of the raised fund in a single non-listed security.
 - (iii) A venture capital fund may invest a maximum of 25% of unallocated fund in money market instruments;
 - (iv) A venture capital fund may engage in leverage or borrowing subject to consent from the investors in the fund and subject to maximum limits prescribed in the constitutive documents;
- (b) Clearly disclose, in the Information Memorandum at the minimum:
 - (i) the liability of the investors is limited to their investments in the fund
 - (ii) it has borrowed only from a bank recognised under the bank and financial institution Act.

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Prohibition on
offers to the
public

21.- The fund manager of a venture capital fund shall raise funds from sophisticated investors and shall not raise funds by way of offers to the public.

Closing of the
offer

22.- A registered venture capital fund shall submit a report of the funds raised to the Authority within fourteen days of the close of the offer.

PART IV APPROVAL OF PRIVATE EQUITY FUNDS

Requirements for
approval

23.-(1) A person shall not offer, operate or provide private equity activities in Tanzania unless -

(a) the fund is authorised by the Authority; and

(b) the manager and custodian of the private fund are—

(i) authorised by the Authority, upon application made in writing to act as manager or custodian, regard being had to their financial standing, their knowledge and experience of investment business and their honesty and integrity;

(ii) corporate bodies designated as such in the fund; and

(iii) independent of each other.

(2) An application to offer, operate or provide private equity services shall be made by a manager of the fund.

Furnish
information
memorandum

24.-(1) A fund manager seeking to raise funds for private equity activities shall furnish the information memorandum to potential investors containing details on the terms and conditions on which funds are to be raised.

(2) The details of the Information Memorandum prescribed in sub-regulation (1) are set out in the Second Schedule.

Approval letter

25.-(1) The Authority may, on satisfying itself that an applicant meets the requirements for approval, register the fund and obtain a letter of approval.

(2) The approval of registration issued under sub-regulation (1) shall remain in force until revoked by the Authority.

Investments
allocation in
Private Equity
Funds

26.-(1) A private equity fund shall: -

(a) invest in unlisted securities of emerging or later-stage companies mainly involved in new products, new services, technology or intellectual property right based activities or a new model-

(i) a private equity fund shall invest at least 75% of the fund in non-listed securities;

(ii) a private equity fund shall not invest more than 25% of the raised fund in a single non-listed security;

(iii) A private equity fund may invest a maximum of 25% of unallocated

fund in money market instruments; and

(iv) A private equity fund may engage in leverage or borrowing subject to consent from the investors in the fund and subject to maximum limits prescribed in the constitutive documents;

(b) Clearly disclose, in the Information Memorandum at the minimum-

(i) the liability of the investors is limited to their investments in the fund; and

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(ii) it has borrowed only from a bank recognised under the bank and financial institution Act.

Fees

27.-(1) Upon registration, the registered private equity fund shall pay the prescribed approval fees in respect of each fund.

(2) Every fund of the registered private equity fund pay the prescribed annual fee each year.

Letter of no objection.

28.-The registered private equity fund shall not change its shareholders, directors or fund manager unless it has received a written confirmation stating that the Authority has no objection to the proposed change.

Prohibition on offers to the public

29.-(1) The fund manager of a private equity shall raise funds from sophisticated investors and shall not raise funds by way of offers to the public.

(2) The fund manager shall raise funds from sophisticated investors.

Closing of the offer

30.- A registered venture capital fund shall submit a report of the funds raised to the Authority within fourteen days of the close of the offer.

PART V VALUATION

Valuation framework

31.- A fund manager to a private equity or venture capital fund shall have a valuation framework in place to assess the value of investments in the fund.

Valuation methodology

32.-(1) A fund manager shall adopt a valuation methodology in line with international best practices for the purpose of evaluating investments in fund.

(2) Sufficient disclosure shall be made to allow investors to have a clear understanding of how the portfolio is valued and priced.

PART VI
CONTINUOUS REPORTING OBLIGATIONS

Records to be
maintained by
Fund Manager

33.-(1) A fund manager shall keep books of account and maintain records that reflect the affairs of the funds under its management.

(2) Every record shall be preserved for at least ten years after the completion of the transaction to which it relates.

Quarterly
Reports

34.-(1) Each fund manager shall within one month after the end of each quarter, file with the Authority a report that includes the following information-

(a) details of any investments made by each fund manager under its management during the quarter and the consideration paid for those investments; and

(b) details of any disposals, any profits derived or loss incurred from those disposals.

Annual Report

35.-(1) The fund manager shall within three months of the end of the financial year, file with the Authority annual report with the following information-

(a) name and address of each shareholder including details of any beneficial interests of the fund manager of private equity or venture capital fund and details of their investment;

(b) changes in shareholding in the financial year;

(c) names and address of each director of the fund manager of the private equity or venture capital fund;

(d) changes in the board of directors of the fund manager of a private equity or venture capital fund within the year; and

(e) annual audited accounts of the fund manager for that financial year.

(2) The annual reports shall be accompanied by a report of the fund manager in respect of each fund under the registered venture capital company or registered private equity company detailing-

(a) proposed changes in information specified under regulation 35 (1)(b) and (d) or the investment policy; and

(b) particulars of investments during that year including any profits derived or losses incurred from that disposal.

Additional information

36.- Notwithstanding the foregoing, the Authority may require such further information as it may deem necessary.

PART VIII GENERAL PROVISIONS

Transition Provision

37.- Any venture capital or private equity fund that operates prior to the commencement date of these Regulations shall, within twelve months of the commencement of these Regulations comply with these Regulations.

Sustainability requirements

38.- (1) A fund manager of a fund established with a primary objective of investing in portfolio companies and projects that demonstrate a strong commitment to environmental, social and governance principles shall integrate the sustainability factors into all stages of the investment process, including sourcing, due diligence, investment decision-making, and post-investment monitoring.

(2) Notwithstanding sub-regulation (1) a fund manager shall -

- (a) develop, implement, and maintain sustainability policy that outlines the commitment of the fund to integrating environmental, social, and governance factors into investment strategy;
- (b) ensure that the policy under sub-regulation (2)(a) is reviewed and updated annually to reflect evolving sustainability standards and principles; and
- (c) make available to investors and Authority annual sustainability reports detailing informations on the sustainability performance of the fund including metrics on environmental impact, social responsibility initiatives, and governance practices.

Prohibition of activities

39.- (1) A fund manager shall not—

- (a) lend to, invest in, provide finance to, act as a guarantor to or otherwise be exposed to any of its directors, affiliate companies or companies in which any of its directors or their close relations hold a substantial interest; or
- (b) establish, manage, or advise another fund with a different investment strategy, including but not limited to, a venture capital fund if managing a private equity fund, or a private equity fund if managing a venture capital fund, without the prior written consent of a majority in

interest of the investors;

(2) Subject to sub-regulation (1) (b) a fund manager shall disclose to the investors any potential conflicts and appropriate measures to mitigate such conflicts.

Verification of source of funds

40.-(1) A fund manager of a registered venture capital or private equity fund shall take all reasonable measures to verify the sources of funds and its investments ensuring that it is not used as a conduit for funds sourced from or to be applied to criminal or socially undesirable activities including but not limited to money laundering, proliferation of terrorism and corruption.

(2) The verification of source of funds shall include-

(a) on the part of investee company-

- (i) the identity of the company, including details of its incorporation, business registration and good standing;
- (ii) the identity and proof of address of each of its directors, officers and controllers;
- (iii) the fitness and propriety of each of its directors, officers and controllers;
- (iv) its financial strength including verification of its latest financial statements and or financial projections;
- (v) its financial history, past performance and credit history including the rating of external credit agencies where available;
- (vi) any credentials or expertise it claims to have;
- (vii) its business proposal; and
- (viii) assessment as to whether the business is being conducted in accordance with all applicable legislation.

(b) On the part of investor-

- (i) Identity and proof of address in the case of a natural person;
- (ii) identity including details of its incorporation, business registration and good standing, if a legal person;
- (iii) identity and proof of address of each of its directors, officers and controllers if a legal person;

- (iv) sources of funds
- (v) fitness and propriety of the investor and that of its directors, officers and controllers where applicable;
- (vi) level of sophistication;

Sanctions

41.-(1) The Authority may reprimand, suspend or de-register venture capital company or private equity company where-

- (a) the registered venture capital company or registered private equity company ceases to meet the requirements for registration or fails to comply with the Act;
- (b) any reports or other information filed by the registered venture capital or registered private equity company or fund manager are found to contain false or misleading information;
- (c) the registered venture capital or registered private equity company fails to take such corrective action in respect of a breach as indicated by Authority within the time prescribed;
- (d) the Authority becomes aware of any facts or circumstances, which in the opinion of the Authority, warrant deregistration of the registered venture capital or private equity company in the public interest; and
- (e) the board of directors of the registered venture capital company or registered private equity company requests in writing that the venture capital company or private equity company be deregistered.

—————
FIRST SCHEDULE
—————

(Made under Regulation 6(2))

FORM 1

**APPLICATION BY A COMPANY FOR AN INVESTMENT ADVISER'S LICENCE (FUND
MANAGEMENT CATEGORY)**

THE CAPITAL MARKETS AND SECURITIES ACT (CAP. 79)

Application is hereby made for an Investment Adviser's licence under the Act and the following statements are made in respect thereof:

Notes:

- (1) If space is insufficient to provide details, where necessary, please attach annexure(s). Any such annexure should be identified as such and signed by the signatory to this application.
- (2) This application shall be accompanied by the last audited balance sheet and profit and loss account certified as required by Regulation 5 of the Capital Markets and Securities (Licensing) Regulations.

PART 1

INFORMATION ON THE APPLICANT

- 1. (a) Name of applicant:
 - (b) Registered office:
.....
.....
 - (c) Place of incorporation:
 - (d) Full address and telephone number of the principal place at which the business of the applicant is or is to be carried on:
.....
.....
.....
 - (e) Authorised and paid-up capital of the applicant, including the types of shares issued or to be issued:
Authorised Share Capital
Paid Up Share Capital
Types of Shares
 - (f) The details of shareholders of the applicant, including the name, address, amount of shares being held and date of acquisition:
(Separate Annexure)
 - (g) Address of place at which applicant's register under section 52 of the Act will be kept
.....
.....
 - (h) Set out as an annexure hereto details of each director and secretary showing full name, residential address, date of birth, office held, date of appointment and academic as well as professional qualifications.
- 2. State the nature of the principal business for which the applicant requires an Investment Adviser's license:
- 3. (a) Indicate areas of proposed business for which the applicant requires an Investment Adviser's license: either advises others concerning securities; or issues or promulgates analyses or reports concerning securities;

or: pursuant to a contract or arrangement with a customer, undertakes on behalf of the customer (whether on a discretionary authority granted by the customer or otherwise) the management on behalf of customers portfolio of securities for the purpose of investment.

(b) For each indicated area of proposed business, state in detail the manner in which business will be conducted and the experience of the application and its management.

(Separate Annexure)

(c) The type of customers with whom the applicant proposes to do business. (Separate Annexure)

(d) Describe in detail the organisational structure and internal control procedures which the applicant has adopted or proposes to adopt in the conduct of its business.

(Separate Annexure)

4. Set out name and address of each person who directly or indirectly exercises or has power to exercise a controlling influence over the management and policies of the applicant other than those shown as directors.

(Separate Annexure)

5. Is any director or secretary of the applicant a director of any other corporation? Using an annexure, answer "Yes" or "No" for each person; if "Yes" give details of:

(a) names of corporation;

(b) places of incorporation; and

(c) dates of appointment.

(For questions 6 and 7 answer "Yes" or "No" in space provided. If "Yes" attach annexure giving all relevant particulars.)

6. Has the applicant or any director or secretary of the applicant within the past ten years: *Answer*

(a) been licensed or registered in any place under any law which requires licensing or registration in relation to dealing in securities or acting as an investment adviser?

(b) been licensed, registered or otherwise authorised by law to carry on any trade, business or profession in any place?

(c) been refused the right or restricted in its or his right to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law in any place?

7. Has any director or secretary of the applicant within the past ten years—

(a) been a member or partner in a member firm of any securities exchange?

(b) been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange?

(c) been refused membership of any securities exchange?

(d) been known by any name other than the name or names shown in this application?

(e) been convicted of any offence other than a traffic offence in Tanzania or elsewhere or are there any proceedings now pending which may lead to such a conviction?

(f) has judgement including findings in relation to fraud, misrepresentation or dishonesty been given against him in any civil proceedings, in Tanzania or elsewhere? (If "Yes", using an annexure, give full details, including whether judgement is unsatisfied.)

(g) been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?

(h) been engaged in the management of any corporation other than those referred to in answer to question 5?

- (i) been refused a fidelity or surety bond in Tanzania or elsewhere?
- (j) been disqualified as a director, or been a director of a company
that has gone into receivership or liquidation, in Tanzania or elsewhere?

8. In relation to each director and secretary of the applicant, set out below details of the officer's employment and business activities, during the previous ten years.

| <i>Name of director or Secretary</i> | <i>Name and address of employer (if self-employed, so state)</i> | <i>Nature of business</i> | <i>Description of duties in relation to the employment or activity</i> | <i>Period of employment or activity (give exact date)</i> |
|--------------------------------------|------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------|-----------------------------------------------------------|
| | | | | |
| | | | | |

9. Set out any additional information (including any formal qualifications or training of the directors or secretary of the applicant and the name of the institution that conducted the relevant course) considered relevant to this application.

10. Set out below details of two persons (who shall not be related to the applicant, and neither of whom shall have any interest in the success or otherwise of this application) with whom each director and the secretary of the applicant has had regular contact over the past five years and of whom the Authority may enquire regarding the character and reputation of the respective director or secretary.

(Separate Annexure)

| <i>Name of character referee</i> | <i>Address of character referee</i> | <i>Occupation of character referee</i> | <i>Name of director or secretary in respect of whom enquiries may be made</i> |
|----------------------------------|-------------------------------------|----------------------------------------|-------------------------------------------------------------------------------|
| | | | |
| | | | |

PART 2 MISCELLANEOUS

1. We are aware of the provisions of section 39 of the Act relating to false statements made in applications.
2. We declare that all information given in this application and in the attached annexure (if any) is true and correct.

Dated this day of 20

Signature Signature

.....
Name of Director

.....
(Name of Director/Secretary)

FORM 2
APPLICATION FOR A REPRESENTATIVE LICENCE
THE CAPITAL MARKETS AND SECURITIES ACT (CAP. 79)
(Section 36)

Application is hereby made for—
A Dealer's Representative's/an Investment Representative's Licence and the following statements are made in respect of the application.

1. (a) Applicant's Full Name:
Other names
- (b) Residential address
.....
Tel. No.:
- (c) Date of birth..... Place of birth
- (d) No. of years applicant has resided in Tanzania.....
- (e) Nationality.....
- (f) Occupation for which representative's licence is sought
-
- (g) Full name of principal
- (h) The full address at which the business of the principal is carried on
.....
.....
.....
.....
- (h) Nature of business of the principal.....
.....
.....
.....
- (i) Address of place at which register under section 52 of the Act will be kept
.....
.....
.....
.....
- (j) Present remuneration arrangement with principal: salary, commission or both
.....
- (k) Directorship in companies in Tanzania or elsewhere
-

2. (Answer either "Yes" or "No" in space provided. If "Yes" attach annexures giving all relevant particulars.) Has the applicant within the past ten years—
- (a) been licensed or registered in any law which requires licensing or registration to deal or trade in securities or act as investment adviser? *Answer*
.....
- (b) been licensed, registered, or otherwise authorised by law to carry on any trade, business or profession in any place?
- (c) been refused the right or restricted in his right to carry on any trade, business or profession for which a specific licence, registration or other authority is required by law in any place?
- (d) been a shareholder in a member firm of any securities exchange?
- (e) been suspended from membership of any securities exchange or otherwise disciplined by a securities exchange? been refused membership of any securities exchange?

- (e) carried on business under any name other than the name or names shown in this application in paragraph 1
 - (f) names shown in this application in paragraph 1(a)?
 - (i) been convicted of any offence, other than a traffic offence in Tanzania or elsewhere, or are there any proceedings now pending which may lead to such a conviction?
 - (j) has judgement including findings in relation to fraud, misrepresentation, or dishonesty been given against him in any civil proceedings in Tanzania or elsewhere? (If "Yes" attach annexure(s) giving full details, including whether judgment is unsatisfied.)
 - (j) been refused a fidelity or surety bond in Tanzania or elsewhere?
 - (k) been declared bankrupt or compounded with or made an assignment for the benefit of his creditors, in Tanzania or elsewhere?
 - (k) been disqualified as a director of a company, or been a director of a company that has gone into receivership or liquidation in Tanzania or elsewhere?
3. Has the applicant had any experience in performing the functions of a dealers' representative or investment representative?
(Answer either "Yes" or "No". If "Yes" attach annexure(s) giving all relevant particulars.)
4. Set out below details of the applicant's employment and business activities during the previous ten years.

| <i>Name and address of employer (if self-employed so state)</i> | <i>Nature of business</i> | <i>Description of duties in relation to the employment or activity</i> | <i>Period of employment or activity (give exact dates)</i> |
|-----------------------------------------------------------------|---------------------------|------------------------------------------------------------------------|------------------------------------------------------------|
| | | | |
| | | | |

(Separate Annexure)

5. Set out below details of two persons (who shall not be related to the applicant, and neither of whom shall have any interest in the success or otherwise of this application) with whom the applicant has had regular contact over the past five years and of whom the Authority may enquire regarding the applicant's character and reputation:

| <i>Name</i> | <i>Address</i> | <i>Occupation</i> |
|-------------|----------------|-------------------|
| | | |
| | | |

(Separate Annexure)

6. Does the applicant have an interest in any one or more shares in any company, the shares of which are quoted on a securities exchange, the aggregate of the nominal amount of which constitutes not less than 5 percent of the aggregate of the nominal amount of all issued shares of the company? (Answer either "Yes" or "No". If "Yes", give full details of such interest including names of companies and percentage of interest in a separate annexure.)
7. Set out any additional information (including any formal qualifications or training of the applicant and the name of the institution that conducted the course) considered relevant to this application.
(Separate Annexure)
8. I am aware of the provisions of section 54 of the Act relating to false statements made in applications.
9. I declare that all information given in this application and in the attached annexure (if any) is true and correct.

Dated this day of 20.....

Signature(Applicant)

Notes:

- (a) This application should be accompanied by a certificate in or to the effect of the following form:

To the Authority

On the basis of due and diligent enquiry of the background of the applicant named in this form who is in my direct employment or acting for or on behalf of me, and other information available, I believe him to be of good character and reputation and to have the competence and experience to perform the function of a representative.

Dated this day of 20.....

Signature:

Name:

Capacity:

- (b) Subject to paragraph (c) of this Note, the Certificate should be signed by each licensee by whom the applicant is to be employed or for or by arrangement with whom he is to act.
- (c) Where the applicant is to be employed by or to act for or by arrangement with a licensee the Certificate shall be signed by a director or the secretary of that licensee.

SECOND SCHEDULE

(Made under Regulation 24(2) and 32(2))

INFORMATION TO BE DISCLOSED IN THE OFFERING DOCUMENT

(NOTE: This list is not intended to be exhaustive. The directors of the fund or the manager are obliged to disclose any information which may be necessary for investors to make an informed judgement.)

Constitution of the fund:

1. Name, registered address and place and date of creation of the fund, with an indication of its duration.
2. A statement that the constitutive document is binding on each holder as if he had been a part to it and so to be bound by its provisions and authorizes and requires the trustee/custodian and the manager to do as required of them by the terms of the constitutive documents.

Investment objectives and restrictions:

2. Details of investment objectives and policy, including summary of the investment and borrowing restrictions.

Operators and principals:

3. The names and registered addresses of the following parties—
 - (a) the management of the fund and its board of directors;
 - (b) the custodian;
 - (c) the investment committee; and
 - (d) the auditors.

4. a statement to list the obligations of the manager as set out in regulation 13 of these regulations;

Characteristics of shares:

5. A description of the different types of shares, including their currency or denomination.
6. Frequency of valuation.

Base currency:

7. A statement of the base currency of the fund.

Application and exit mechanism:

8. Procedures for subscription.
9. Exit mechanism.

Fees and charges:

10. The level of all fees and charges payable by the fund, including management fees, custodian fees and start-up expenses.

Meetings:

11. Provisions shall be made as to the manner in which investor's meetings are to be

conducted.

Taxation:

- 12.** Details of principal taxes levied on the fund's income and capital, including tax if any, deducted on distribution to holders.

Investment and borrowing restrictions

- 13.** A statement to list the restrictions on the investment of the fund and the maximum borrowing limit of the scheme

Reports and accounts:

- 14.** The date of the fund's financial/accounting year.
- 15.** Particulars of what reports will be sent to the investors.

Warnings:

- 16.** The following statements/warnings shall be prominently displayed in the offering document—
 - (a) "Import - if you are in any doubt about the contents of this offering document, you should consult your lawyer, accountant or other financial adviser".
- 17.** The date of publication of the offering document.
- 18.** A statement that the manager of the fund accept responsibility for the information contained in the offering document as being accurate as at the date of publication.

Modification of the information memorandum:

- 19.** A statement of the means by which modification to the information memorandum can be effected.

Termination of the fund:

- 20.** A summary of the circumstances in which the fund can be terminated.