

Securities and Exchange (Licensing of Minerals Commodities Trading Participants on the Victoria Falls Stock Exchange) Rules, 2024

IT is hereby notified that the Minister of Finance, Economic Development and Investment Promotion, in terms of section 118(6) of the Securities and Exchange Act [*Chapter 24:25*], has approved the following rules made by the Securities and Exchange Commission of Zimbabwe:—

PART I

PRELIMINARY

Title

1. These rules may be cited as the Securities and Exchange (Licensing of Minerals Commodities Trading Participants on the Victoria Falls Stock Exchange) Rules, 2024.

Interpretation

2. In these rules—

“applicant” in relation to an application for a licence means the person applying to conduct the licensable activity authorised by the licence, whether the application is being made by that person or by someone else on his or her behalf;

“commodity dealing company” means a company authorised to trade in warehouse receipts only on behalf of clients;

“clearing house” means a licensed company which has been admitted as a participant by the Exchange to facilitate the clearing and settlement of warehouse receipts, contracts and funds;

“Exchange” means the Victoria Falls Stock Exchange;

“general commodity dealing company” means a dealer authorised to trade in warehouse receipts and contracts on behalf of clients;

“individual commodity dealer” means a dealer authorised to trade warehouse receipts only on behalf of clients and

can be employed in a commodity dealing company or a general commodity company;

“individual general commodity dealer” means an individual employed in a commodity dealing company to trade warehouse receipts and contracts on behalf of clients;

“market maker” means a participant who enhances the market liquidity of a particular security by quoting bids and offers in a security at all times;

“settlement bank” means a central bank or a licensed commercial bank appointed by the Exchange to facilitate the settlement of funds in the trading and settlement of warehouse receipts and contracts;

“warehouse” means any building, structure or protected enclosure in which a mineral commodity is stored for storage or processing;

“warehouse operator” means a person who operates a registered warehouse;

“warehouse person” means a person who manages a registered warehouse.

Application of rules

3. The Securities (Registration, Licensing and Corporate Governance) Rules, 2010, published in Statutory Instrument 100 of 2010, and the Securities (Victoria Falls Stock Exchange) (Levies, Fees and Charges) Rules, 2023, published in Statutory Instrument 141 of 2023, and any other rules made in terms of section 118 of the Act in relation to a securities exchange shall with necessary modifications, apply to and be read as part of these rules, except to the extent specified in these rules.

PART II

LICENCES

Application for licence

4. (1) An application for a licence as a—

- (a) commodity dealing company;
- (b) general commodity dealing company;
- (c) individual commodity dealer;
- (d) individual general commodity dealer;
- (e) market maker;
- (f) warehouse operator;
- (g) warehouse person;
- (h) clearing house;

shall be lodged through the Exchange and comply with the requirement in the Schedule.

(2) An applicant who is a company referred to in subrule (1) shall submit the following—

- (a) constitutive documents;
- (b) list of the directors, partners and key personnel together with two (2) passport sized photos;
- (c) letter of undertaking signed by the directors;
- (d) capital adequacy as specified by the Commission;
- (e) copy of national identity document or passport and police clearance of directors and key personnel;
- (f) proof of business address;
- (g) bank details;
- (h) audited financial statements and auditor's certificate;
- (i) copy of valid tax clearance certificate;
- (j) proof of insurance cover;
- (k) recommendation for licensing by the Exchange.

(3) Where an application in terms of subrule (1) is required by an individual he or she must submit the following—

- (a) be at least twenty-one (21) years old;
- (b) proof of business or mining related qualification at least at Diploma level;

Securities and Exchange (Licensing of Minerals Commodities Trading Participants on the Victoria Falls Stock Exchange) Rules, 2024

- (c) police clearance certificate;
 - (d) proof of payment of application fee as specified in these rules;
 - (e) recommendation for licensing by the Exchange.
- (4) The Commission shall within fourteen (14) days—
- (a) grant the application and notify the applicant and the Exchange; or
 - (b) reject the application and provide reasons for rejecting the application:

Provided that where the Commission is of the view that further information is required, it will request such information from the applicant.

(5) Where the Commission requests for further information from the applicant, the applicant shall submit the requested information within seven (7) days.

(6) The Commission, after being satisfied that the applicant has complied with all the requirements, shall issue a licence to the applicant with such conditions as the Commission may require.

(7) A licensee shall be required to pay an annual fee specified in rule 5 subject to satisfactorily meeting continuous obligations as prescribed by the Exchange.

PART III

FEES AND LEVIES

Licensing and annual fees

5. (1) The following fees shall apply for licensing and annual subscriptions by applicants and participants on the Exchange—

Licence category	Charge Excluding VAT
Application Fees (Non-refundable)	
Individual commodity dealer	USD500
Individual general commodity dealer	USD500
Warehouse person	USD500
Commodity dealing company	USD1,000
General commodity dealing company	USD1,200
Market maker	USD1,200
Clearing house	USD2,000
Warehouse operator	USD1,000
Warehouse	USD350
Annual fees	
Individual Commodity Dealers	USD500
Individual General Dealers	USD500
Warehouse person	USD500
Commodity dealing company	USD1 000
General commodity dealing company	USD1 200
Market Maker	USD1 200
Clearing house	USD5 500
Warehouse operator	USD1 200

(2) The Exchange shall be the collecting agent of the fees and shall remit 50 *per centum* of the fee to the Commission within ten (10) days from the date of collection.

Trading fees

6. (1) The trading levies chargeable in terms of tables A, B and C shall be collected by the Exchange and remitted to the Commission.

(2) Trading fees are provided in the tables below—

Securities and Exchange (Licensing of Minerals Commodities Trading Participants on the Victoria Falls Stock Exchange) Rules, 2024

Table A

Trading through brokers (Warehouse receipts)

Levy	Buy	Sell
Securities and Exchange Commission	0.10%	0.10%

Table B

Trading directly through the Exchange

Levy	Buy	Sell
Securities and Exchange Commission	0.10%	0.10%

Table C

Trading of contracts

Contract size (Lots, Tonnes)	Contract size (Lots, Tonnes) and type of charge				
	0-5	5-10	10-25	25-30	Above 30
Securities and Exchange Commission Levy- Maximum fees on contracts (USD)	4	4.8	6	8	8.8

SCHEDULE (Rule 4(1))

REQUIREMENTS FOR CERTAIN LICENCES

1. Commodity dealing company

To obtain a Commodity Dealing Company Licence an applicant must—

- (a) be a company registered in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]; and
- (b) appoint a principal officer who has at least one year experience in mining or securities market or commodities trading and must possess any of the following degrees or diploma or qualifications awarded or issued by a reputable institution of higher learning in—
 - (i) Mining Engineering;
 - (ii) Commerce;
 - (iii) Finance;
 - (iv) Economics;

- (v) Accounting;
- (vi) Law;
- (vii) any other qualification which, in the opinion of the Commission, is equivalent to any of the above qualifications.

2. Clearing house

To obtain a clearing licence an applicant must—

- (a) be a company incorporated in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]; and
- (b) appoint a principal officer who has at least two-year experience in securities market or regulations and must possess any of the following degrees or qualifications awarded or issued by a reputable institution of higher learning in—
 - (i) Mining Engineering;
 - (ii) Commerce;
 - (iii) Finance;
 - (iv) Economics;
 - (v) Accounting;
 - (vi) Law;
 - (vii) Any other qualification which, in the opinion of the Commission, is equivalent to any of the above qualifications.

3. General commodity dealing company

To obtain a general Commodity Dealing Company Licence an applicant must—

- (a) be a company registered in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]; and
- (b) appoint a principal officer who has at least one year experience in mining or securities market, or commodities trading and must possess any of the following degrees or diploma or qualifications awarded or issued by a reputable institution of higher learning in—
 - (i) Mining;
 - (ii) Commerce;
 - (iii) Finance;
 - (iv) Economics;
 - (v) Accounting;

Securities and Exchange (Licensing of Minerals Commodities Trading
Participants on the Victoria Falls Stock Exchange) Rules, 2024

- (vi) Law;
- (vii) any other qualification which, in the opinion of the Commission, is equivalent to any of the above qualifications.

4. Individual commodity dealer

To obtain an individual Commodity Dealer's Licence an applicant must—

- (a) be at least twenty- one years old; and
- (b) possess a minimum of a diploma in business or mining related qualification or any other qualification which in the Commission's opinion is equivalent to any of those qualifications; and
- (c) have at least one year experience in either mining, securities or commodities trading.

5. Individual general commodity dealer

To obtain an individual general Commodity dealer Licence an applicant must—

- (a) be at least twenty-one years old; and
- (b) possess a minimum of a diploma in business or mining related qualification or any other qualification which in the Commission's opinion is equivalent to any of those qualifications; and
- (c) have at least one year experience in either mining, derivative securities or commodities trading.

6. Market maker

To obtain a Market Maker Licence an applicant must;

- (a) be a company registered in terms of the Companies and Other Business Entities Act [*Chapter 24:31*]; and
- (b) appoint a principal officer who has at least one year experience in mining, securities market or commodities trading and must possess any of the following degrees or diploma or qualifications awarded or issued by a reputable institution of higher learning in—
 - (i) Mining;
 - (ii) Commerce;
 - (iii) Finance;
 - (iv) Economics;
 - (v) Accounting;
 - (vi) Law;

- (vii) Any other qualification which, in the opinion of the Commission, is equivalent to any of the above qualifications.

7. Warehouse operator

To obtain a warehouse operator licence, an applicant must—

- (a) be a company registered in terms of the Companies and Other Business Entities Act [*Chapter 24:31*] and;
- (b) be under the management of a person who has at least one year experience in warehouse operation;
- (c) have in his or her employ a warehouse person;
- (d) comply with such other requirements as may be prescribed.

8. Warehouse person

To obtain a warehouse person licence an applicant must—

- (a) be at least twenty-one years old; and
- (b) have a minimum of a diploma awarded by an institution of higher learning in the following fields—
 - (i) Chemistry;
 - (ii) Chemical technology;
 - (iii) Metallurgical assaying;
 - (iv) Geology; or
 - (v) Any other qualification which in the Commission's opinion after recommendation by the Exchange, is equivalent to any of those qualifications;
- (c) have at least one-year relevant experience.

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