



DAR ES SALAAM STOCK EXCHANGE PLC (DSE)



HANDBOOK

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1.0 VISION

“To be a sustainable securities exchange that is an engine of economic growth for Tanzania”

2.0 MISSION

“To provide a responsive securities exchange that promotes economic empowerment and contributes to the country’s economic development through facilitating the offering of a range of attractive and cost effective products and services”.

3.0 INTRODUCTION

In order to understand better the role of a stock market in an economy, it is important to understand; first, the position of capital markets in the overall financial system and set-up of capital markets; second, the legal framework and third, the “modus operandi” of capital markets.

It is universally accepted that no modern economy can flourish without the backing of an efficient financial system because the role of financial system to the economy is like what oil is doing to a motor engine. As oil lubricates the engine and enables it to work more efficiently, the financial system plays the role of intermediation by facilitating movement of funds from the savers (surplus spending units) to users (deficit spending units) and thereby increasing the efficiency of economic resources allocation and deployments.

4.0 POSITION OF CAPITAL MARKETS IN A FINANCIAL SYSTEM

(i) What is a financial system?

Admittedly, there is no universally and unequivocally agreed on definition of what a financial system is. However, majority of scholars and practitioners have defined it as a collection of financial markets, financial intermediaries, laws, regulations and techniques through which fixed income securities, equities and other securities are packaged, traded and yields are determined.

(ii) What are financial markets?

These are defined as a collection of markets that deal with all financial assets, including those which pay-off in short-term, usually less than one year (known as money markets) and those whose tenor/life is of a long-term nature (known as capital markets). Financial markets are therefore comprised of money and capital markets.

(iii) Capital markets

Are facilities and mechanisms through which funds move from idle holders to productive users. They are facilities which channel funds, at market price, to productive activities. Capital markets have two inter-dependent segments; primary and secondary markets.

(iv) Primary Markets

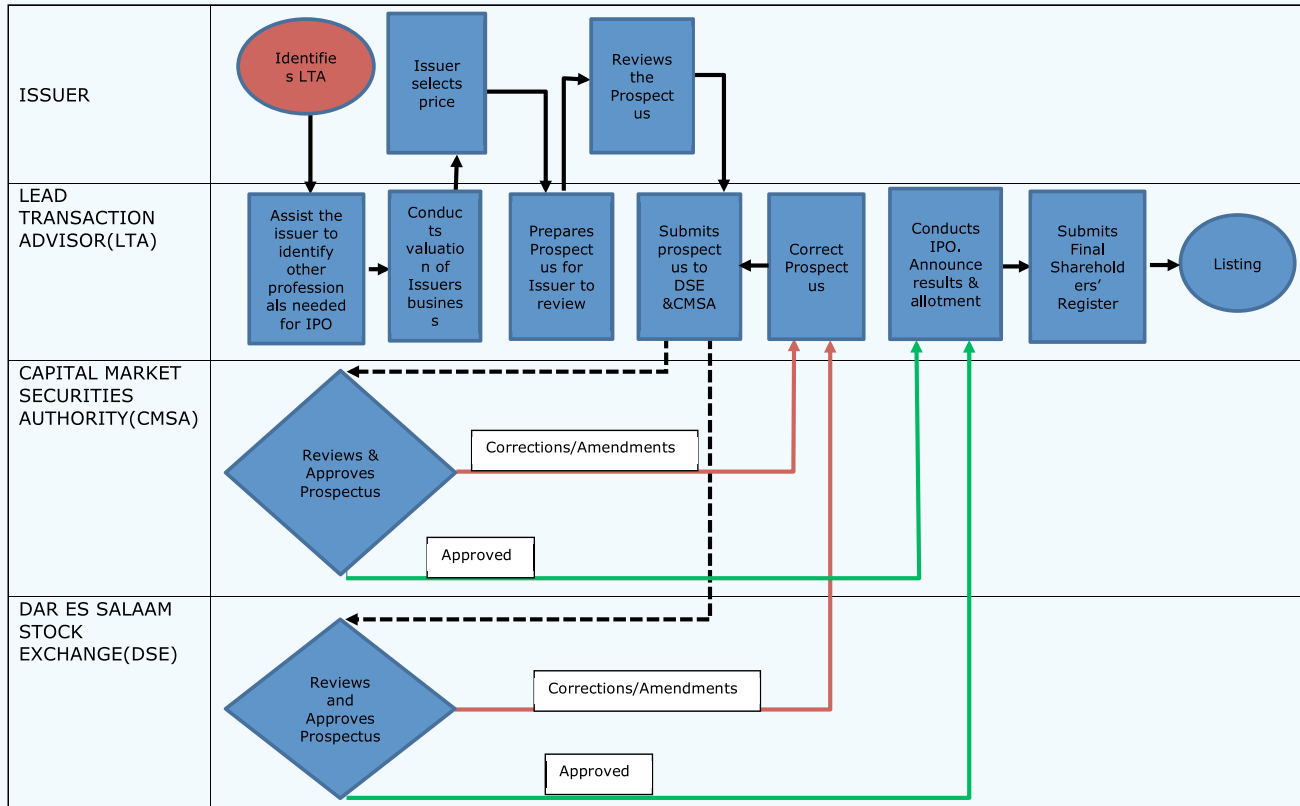
Are financial markets in which new issues of securities are sold to initial buyers for the first time, commonly referred to as Initial Public Offers (IPOs). A good example is when a company floats its shares or sells its corporate bonds to the investing public for the first time. The securities issued in primary markets are later traded in the secondary markets.

(v) Secondary markets

Are later markets which deal with buying and selling of securities previously issued and subscribed to (in the hands of investors) in primary markets. An example of a secondary market institution is a Stock Exchange, like the DSE which is a market where investors, through their brokers, sell and purchase listed securities. The DSE is therefore one of the Key constituencies of a financial system with unique functions.

(vi) DSE IPO and listing Process

The process for the issuer to initiate an IPO and eventually listing of the securities the process takes a minimum of 3 months, the info graph below illustrate the whole process.



5.0 REGULATORY FRAMEWORK

The legal framework governing the entry into the business, conduct and operations of capital markets in Tanzania is built on a three-tier structure.

(i) The Capital Markets and Securities Act, 1994, (Cap.79) (as amended)

This is the basic law which regulates the conduct of business in capital markets. The enforcement organ is the Capital Markets and Securities Authority (CMSA).

(ii) The Companies Act, 2002 (Cap.212).

This law regulates a wide range of corporate issues including; the formation of private as well as public companies and all matters relating to issuance of securities, rights of shareholders, prospectuses' contents, obligations of directors and governance issues. The enforcement agency is the Registrar of companies.

(iii) Regulations and Rules made by CMSA and DSE.

The understanding that the Capital Markets are sufficiently complex and the speed of changes within the industry is so fast that the ability of the Parliament to cope with it through statutory enactments is limited; made the Parliament find it prudent to delegate Regulations and Rules making powers on specific issues to CMSA and DSE respectively. *(More details are found in the respective laws, regulations and rules).*

6.0 DSE FUNCTIONS

(i) Provides a market for listed securities

DSE provides a platform that enables those wishing to join listed companies to do so and those wishing to leave to do so as well. The DSE therefore provides platform and liquidity by way of providing a continuous market for securities whereby securities are exchanged for cash.

(ii) Facilitates transparency

Disclosure requirements put in place by the DSE require listed companies to promptly disclose all price sensitive information so that investors may make informed decisions. This is achieved at two levels; first, at the initial offering period when companies have to meet listing requirements relating to offering documents and second through continuous listing obligations. In this context, the DSE becomes information clearing point between listed companies and investors (information hub).

(iii) Facilitates privatization and wider ownership of resources

The DSE facilitates the privatizations of the some parastatal organizations which were hitherto under the control of the Government whose shares have been sold by the Government to the public through the DSE.

(iv) Facilitates raising of capital for enterprises

The DSE facilitates companies to sell new shares/bonds at better prices which lower the cost of capital to such companies and improves their chances of increasing operating profits. Experience has shown that investors accept higher prices for shares and lower interest rates for bonds, when companies selling these securities are well known and have met listing conditions and reporting requirements as opposed to lesser known enterprises where the investors are faced with a greater amount of uncertainty and as a result they demand lower prices for shares or higher yields as a compensation for this increased risk.



(v) Creation of wealth through investing in listed securities

Listed companies provide an opportunity for many people in the society to participate through ownership in key sectors of the economy. This opportunity enhances a broad-based wealth creation and economic empowerment to many citizens.

(vi) Contributes to the cultural transformation of Tanzanians

At the time the DSE was established, only a handful of Tanzanians could claim to be knowledgeable with stock market operations. Operationalization of the DSE has contributed substantially towards public enlightenment which has caused more Tanzanians to invest in listed companies as a result of this transformation. The public enlightenment exercise is ongoing and will keep on while taking into account past experiences. It is the DSE's goal that Tanzanians appreciate and eventually adopt a thrift culture that thrives on equity ownership in successful business concerns.

7.0 DSE MEMBERSHIP

The DSE membership consists of Licenced Dealing Members (LDMs) and Associate Members. LDMs are classified according to the activities or transactions they are licensed to perform. The LDMs that are allowed to transact at the DSE as agents or on behalf of the investors are known as brokers whereas those who are allowed to transact as Principals or on their own behalf are known as Dealers. Associate members are all non-LDM members (natural and legal) who have interest in the development of capital markets in Tanzania including the following categories; Listed companies, Custodian Banks, Institutional investors, professional associations, as well as individuals.

Admission to membership under both categories is through making applications and meeting certain conditions as laid down by the DSE Board of Directors.

8.0 DSE ORGANIZATIONAL STRUCTURE

Originally the DSE was a body corporate incorporated in 1996 under the Companies Act, 2002 as company limited by guarantee without share capital, but as of 29th June, 2015 it became a public company limited by shares. The organogram of the DSE is spelt out under the Articles of Association of the DSE. The DSE governance structure is built on three pillars. The apex pillar is the General Meeting of the shareholders of the company. This forum is the final organ in the governance ladder within the DSE.

The second pillar (below the General Meeting) is the Board of Directors which is duly appointed in accordance with the Articles of Association of the DSE. All the governing functions of the DSE are vested into the Board. The Board is accountable to the General Meeting (***More details are found in the DSE Rule Book and DSE Articles of Association***).

The third pillar is Management of the DSE under the leadership of the Chief Executive Officer. Management, which is composed of the CEO and Managers, is vested with powers to run the day to day activities of the DSE. Management is answerable to the Board of Directors.

9.0 DSE CORPORATE INITIATIVES

DSE has joined the World Federation of Exchanges which advocates on behalf of the global exchange sector and work with global regulators to establish standards for the proper functioning of publicly regulated securities markets.

Since its foundation 55 years ago, the WFE has organized committees, meetings, general assemblies, conferences, and workshops for its members to transfer knowledge and share expertise on every aspect of the capital market: the technical, the commercial, the legal and the economic. In the past four decades they have published studies and reports on issues such as self-regulation, cross border trading, cyber security and many others besides.



9.1 Sustainable Stock Exchanges

DSE is a partner to the Sustainable Stock Exchanges (SSE) initiative, a project of the United Nations (UN) co-organized by the United Nations Conference on Trade and Development (UNCTAD), the United Nations Global Compact, the United Nations Environment Programme Finance Initiative (UNEP-FI) and the UN supported Principles for Responsible Investment (PRI).

The SSE provides a multi-stakeholder learning platform for stock exchanges, investors, regulators, and companies to adopt best practices in promoting corporate sustainability. In collaboration with investors, regulators, and companies, they strive to encourage sustainable investment.

9.2 TOP 100 Mid-Sized Company Surveys

DSE has also taken initiatives in sponsoring the TOP 100 Mid-Size Companies the initiative by the Mwananchi Communication Ltd and KPMG which seeks to recognize and reward mid-size companies that have sound financial governance and growth as part of their DNA.

9.3 Scholar Investment Challenge (SIC)

The DSE Scholar Investment Challenge is an annual edutainment challenge, an initiative from DSE that aims to create a savings and investment culture among the youth in all higher learning institutions in Tanzania.

9.4 DSE Members Award (DMA)

The DSE Members Awards is an awards programme that has been initiated with the main objective of fostering good practices on the Tanzanian capital markets. The awards programme aims to recognize all market participants in their respective roles for excelling in the areas of good corporate governance; investor protection; good leadership; consistent reporting; and accessibility to the media, these five key factors being the building blocks for the capital market eco-system and for the deepening of the financial sector.

10.0 BASIC LISTING REQUIREMENTS

The DSE equity market is divided into two segments, which slightly differ in entry requirements. These two markets are Main Investment Market Segment (MIMS) and Enterprise Growth Market Segment (EGMS).

S/NO.	CRITERIA	MAIN INVESTMENT MARKET SEGMENT	ENTERPRISE GROWTH MARKET SEGMENT
1.	Track record of existence	Applicant must publish its annual accounts for preceding three years. Annual accounts should be in accordance with the Companies Act, 2002 and must be prepared and independently audited with the standards regarded as appropriate by the Council.	None. But if the applicant has no track record, has to show that funds are required to support a project which has been fully researched with indicated costs.
2.	Profitable track record	Profit after tax attributable to shareholders in at least two of the last three financial years.	None
3.	Issued and paid-up capital	At least TZS 1 billion	At least TZS 200 million
4.	Incorporation Status	Issuers must be incorporated in Tanzania as public companies or else where the companies' law is in conformity with the law of Tanzania (for cross-listing companies)	Issuers must be incorporated in Tanzania as public companies or else where the companies' law is in conformity with the law of Tanzania (for cross-listing companies).
5.	Net Tangible Assets	The company shall have at least 50% of its net assets situated within Tanzania	The company shall have at least 50% of its net assets situated within Tanzania
6.	Issuer Type	All companies from different economic sectors.	Startup, Growing companies of all sizes and / or companies without profit track records
7.	Method of offering new issue of shares	Public offering, underwriting or combination of both.	Public offering, underwriting, private placement or combination of all.

8.	Business Operations	The applicant seeking listing should have at least one identifiable core business which is controlled by the listing company.	Detailed profile of planned operations including the following: 5 years business plan and independent technical feasibility report for companies with less than 12 months of operating history.
9.	Public shareholding spread	At least 25% of the issuer's shares, being not less than 1 million number of shares in the hands of the public.	At least 10% of its shares must be held by public.
10.	Minimum number of shareholders upon listing	Not less than 1000 shareholders excluding employees of the Issuer.	At least 100 shareholders
11.	Period moratorium	Not necessary.	If the Issuer has less than three years track record, promoters to be locked-in for up to 3 years.
12.	Utilization process of proceeds	<p>Disclose the estimated amount of the proceeds from the offer (net of the expenses of the offer) broken down into each principal intended use.</p> <p>If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the amount and sources of other funds needed.</p> <p>Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. State the minimum amount which, in the reasonable opinion of the directors of the relevant corporation, must be raised by the offer.</p>	<p>Disclose the estimated amount of the proceeds from the offer (net of the expenses of the offer) broken down into each principal intended use.</p> <p>If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the amount and sources of other funds needed.</p> <p>Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. State the minimum amount which, in the reasonable opinion of the directors of the relevant corporation, must be raised by the offer.</p>
13.	Nominated Advisors	Not necessary/required.	Must have a Nominated Advisor at all time of listing.

14.	Directors and Management	Disclosure of age, qualification and relevant experiences for the preceding five years.	Suitable senior management with relevant experience of one year prior to listing.
15.	Financial Statements	Must be IFRS compliant and must have been audited by authorized auditor.	Must be IFRS compliant and must have been audited by authorized auditor.
16.	Auditors	Registered by NBAA	Registered by NBAA
17.	Same Management	At least 2 years before listing.	No need. Emphasis should be on competence of the Management team.
18.	Audit Committees	Issuers must have audit committee as per CMSA guidelines on Corporate Governance.	Issuers must have audit Committee as per CMSA guidelines on Corporate Governance
19.	Working Capital	Directors of the Issuer to give opinion on adequacy of working capital for at least 12 months	Directors of the Issuer to give opinion on adequacy of working capital for at least 12 months
20.	Certificate of comfort from relevant regulators	Issuers to obtain comfort letters from relevant regulators supervising their day to day activities.	Issuers to obtain comfort letters from institutions regulating their operations.
21.	Articles and Memorandum of Association	They must provide for public issuance of securities as well protection of minority shareholders, transferability of shares, borrowing powers of directors, corporate governance principles.	They must provide for public issuance of securities as well as protection of minority shareholders, transferability of shares, borrowing powers of directors, corporate governance principles.
22.	Composition of board of Directors	The Issuer must have at least one third of the Board members as non-executive directors.	At least one third of the board members must be non-executive directors.
23.	Prospectus approved by a regulator	Prospectus to be approved by the Authority.	Prospectus to be approved by the Authority

24.	Compliance to other Corporate Governance Issues	All applicants to undertake to comply with other corporate governance principle as per CMSA guidance as improved from time to time.	All applicants to undertake to comply with other corporate governance principle as per CMSA guidelines for corporate governance as improved from time to time.
25.	Clear dividend policy	The Issuer to disclose clear dividend policy.	Issuer to disclose clear dividend policy.
26.	Publication in the Press	Applicants to prepare abridged Prospectuses.	Applicants to prepare Abridged Prospectuses.



11.0 DSE AND CDS FEE STRUCTURE AS APPROVED BY THE AUTHORITY

[Made under Rules 10 (5), 33, 51, 77, 89, 92 (2) and 226]

11.1 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 0.25% Annual Listing Fee 0.05% Additional Listing Fee 0.2%	Initial Listing Fee	30mn	Rate	Min	Max	
		2mn					
		2mn	20mn				
	Listing Fee Equities - EGMS Annual Listing Fee 0.025% Additional Listing Fee 0.01%	2mn	30mn				
		Initial Listing Fee	0.1%	1mn	10mn		
		1mn	5mn				
		1mn	10mn				
	4.	Listing Fees - Bonds 0.05% Annual Listing Fee 0.0125% Additional Listing Fee 0.025%	Initial Listing Fee	Rate	Min	Max	
			2mn	20mn			
			2mn	10mn			
1mn			10mn				

5.	Listing Fees – Mutual Funds 0.05% Annual Listing Fee 0.125% Additional Listing Fee 0.01%		Initial Listing Fee	Rate	Min	Max	
			0.5 mn	10 mn			
			0.5 mn	5 mn			
6.	Listing Fees - ETFs 0.1% Annual Listing Fee 0.025% Additional Listing Fee 0.1%		Initial Listing Fee	Rate	Min	Max	
			1 mn	20 mn			
			1 mn	10 mn			
7.	Transaction Fees - Bonds DSE Commission	Brokerage Commission	Up to TZS 40 mn	Rate	Min	Max	
			1/16%	5,000	25,000		
			On any additional amount exceeding TZS 40 mn	1/32%	25,000	No Limit	
			On Brokers on any amount transacted	1/140%	No Limit	No Limit	
		On Bonds Traders on any amount transacted	1/64%	No Limit	No Limit		

			Rate	Min	Max
6.	Transaction Fees-Equities Up to TZS 10 mn On the next TZS 40 mn On any sum above TZS 50 mn DSE and CMSA's Commission (where 0.02% goes to Fidelity Fund and 0.28% is being equally divided) Rate Up to TZS 10 mn On next TZS 40 mn On any sum above TZS 50 mn	Brokerage Commission 1.7% 1.5% 0.8% Min 0.3% 0.3% 0.3%	1.7% 1.5% 0.8% Max 0.3% 0.3% 0.3%		
3.	Infrastructure Fee	Trading Members and Institutions (excluding the Regulator) taking a market data screen	TZS 19,408,086 per member, per annum effective from 1 st July 2016.		
4.	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			

11.2 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		
	Clearing Banks		
	Other Operators		
	Issuer-First Security	TZS 1,000,000	
	Issuer-Subsequent Securities	TZS 100,000	
	NOMADs	TZS 500,000	
3.	Transaction Fee	Standard Transaction Fee	TZS 0.06% of the transaction value
	Dematerialization Fee		
	Consolidation Fee	TZS 1,000 per transaction	
	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 (excluding the Regulator) 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	

12.0 DSE LISTINGS

12.1 EQUITY LISTINGS

12.1.1 Domestic Companies

Company	Date Listed	Number of listed Shares	Nature of Business
TOL Gases Ltd. (TOL)	15th April, 1998	55,835,490	Production and distribution of industrial gases, welding equipment, medical gases.
Tanzania Breweries Ltd. (TBL)	9th September, 1998	294,928,463	Production, marketing and distribution of beverages in Tanzania
Tanzania Tea Packers Ltd. (TATEPA)	17th December, 1999	18,657,254	Growing, processing, blending, marketing and distribution of tea and instant.
Tanzania Cigarette Co. Ltd. (TCC)	16th November, 2000	100,000,000	Manufacturing, marketing, distribution and sale of cigarettes.
Tanga Cement Co. Ltd. (SIMBA)	26th September, 2002	63,671,045	Production, sale and marketing of cement.
Swissport Tanzania Ltd. (SWISSPORT)	26th September, 2003	36,000,000	Airports handling of passengers and cargo.
Tanzania Portland Cement Co. Ltd. (TWIGA)	29th September, 2006	179,923,100	Production, sale and marketing of cement.

DCB Commercial Bank PLC	16th September, 2008	67,827,897	Commercial bank
National Microfinance Bank PLC (NMB)	6th November 2008	500,000,000	Commercial bank
CRDB Bank PLC (CRDB)	17th June 2009	2,176,532,160	Commercial bank
Precision Air Services PLC (PAL)	21st December 2011	160,469,800	Air transport services
Maendeleo Bank Limited (MBP)	1 st November 2013	9,066,701	Commercial Bank
Swala Gas and Oil Company Ltd (SWALA)	11 th August 2014	99,954,467	Exploration of Gas and Oil
Mkombozi Commercial Bank (MKCB)	29 th December 2014	20,615,272	Commercial Bank
Mwalimu Commercial Bank (MCB)	27 th November 2015	61,824,920	Commercial Bank
Yetu Microfinance PLC (YETU)	10 th March 2016	12,112,894	Microfinance PLC
MUCOBA Bank PLC (MUCOBA)	8 th June 2016	8,156,423	Community Bank
DSE PLC (DSE)	12 th July 2016	20,250,000	Stock Exchange

12.1.2 Cross-Listed Companies

Name of the Company	Date Listed	Number of Issued Shares	Nature of Business
Kenya Airways Ltd. (KA)	1st October, 2004	1,496,469,034	Passengers and cargo transportation to different destinations in the world.
East African Breweries Ltd. (EABL)	29th June, 2005	790,774,356	Holding Company in various companies that are involved in production, marketing and distribution of beer in Kenya, Uganda and Mauritius.
Jubilee Holdings Ltd. (JHL)	20th December, 2006	59,895,000	Holding company in several companies that are involved in insurance businesses in Kenya, Uganda and Tanzania.
Kenya Commercial Bank Ltd	17th December 2008	2,970,340,000	Commercial bank
National Media Group Plc	21st February 2011	188,542,286	News Media Group
Acacia Mining Plc	7th December, 2011	410,085,499	Mining and production of gold
Uchumi Super Market (USL)	15 th August 2014	364,965,594	Supermarket

12.1.3 Historical Subscription Levels (Equities)

Company	IPO Price	Offer Value (TZS)	Level of Subscription (TZS)	% level of Subscription	Listing Date	IPO Shareholders
TOL	500	3,750,000,000	3,750,000,000	100%	15/04/1998	10,500
TBL	550	12,976,852,350	9,630,874,000	74%	19/09/1998	23,000
TATEPA	330	523,020,960	571,461,000	109%	07/12/1999	2,000
TCC	410	7,995,000,000	9,394,125,000	118%	16/11/2000	7,508
SIMBA	300	6,207,927,000	24,210,915,300	390%	26/09/2002	14,228
SWISSPORT	225	3,969,000,000	31,196,340,000	786%	03/06/2003	41,025
TWIGA	435	23,479,516,500	86,419,680,855	368%	29/09/2006	18,300
NICOL	300	15,000,000,000	5,601,735,000	37%	15/07/2008	2,986
DCB	275	1,500,000,150	5,204,045,000	347%	16/09/2008	5,447
NMB	600	63,000,000,000	224,999,340,000	357%	06/11/2008	28,636
CRDB	150	18,814,453,800	82,624,366,200	439%	17/06/2009	21,285
PAL	475	27,949,831,250	12,091,030,000	43%	21/12/2011	7,057
TBL (EABL Exit)	2,060	121,510,527,580	297,593,326,800	245%	16/01/2012	2,081
MAENDELEO	500	4,000,000,000	4,533,350,500	113%	04/11/2013	2,528
SWALA	500	4,800,000,000	6,643,900,000	138%	11/08/2014	1,867
MKOMBOZI	1,000	5,000,000,000	3,776,820,000	76%	29/12/2014	2,629
MWALIMU	500	25,000,000,000	30,912,460,000	124%	27/11/2015	235,494
YETU	500	12,596,606,500	3,111,690,100	25%	10/03/2016	14,273
MUCOBA	250	5,000,000,000	1,211,067,750	24%	08/06/2016	1,691
DSE	500	7,500,000,000	35,768,796,000	477%	12/07/2016	3,149

11.1 CORPORATE BONDS

The following are outstanding corporate bonds listed at the DSE as of 30th August 2016

NAME OF ISSUER	DESCRIPTION OF BOND	DATE OF ISSUE	INTEREST RATE	REDEMPTION
STANDARD CHARTERED BANK LTD.	TZS 10 billion Tranche 2 subordinated and unsecured due 2020.	22nd October, 2010	Fixed Rate: 5 Yr benchmark + 1.25% 11% per annum payable semi- annually on 22 April and 22 October in each year commencing on 22 April 2011 up to and including maturity date.	Bonds to be redeemed in ten equal installments of 1,000,000,000 payable on each Interest payment date from and including 22 October 2015 up to and including the maturity date of 22 October 2020
PTA-FXT01/15/05	TZS 32.6 billion Tranche 1 unsecured due date of 30th April, 2020.	7 th May, 2015	Fixed rate 14.03	Maturity date of 30 th April, 2020
EXIM-2015/21.T1	14.959 billion unsecured due 21 st Dec, 2021.	21 st Dec, 2015	Fixed Rate 15.56%	Maturity date of 21 st Dec, 2021.
NMB-2016/19.T1	TZS 41 billion Tranche 1 unsecured due 13 th June, 2019.	13TH June, 2016	Fixed Rate: 13% per annum payable semi-annually on June and December in each year up to and including maturity date.	Maturity date of 13 th June 2019.Redemption at the option of the issuer is applicable on interest payment dates.

13.0 TRADING SYSTEM

13.1 AUTOMATED TRADING SYSTEM (ATS)

Trading is conducted on the DSE Wide Area Network through Automated Trading System (ATS). This is an electronic system which matches bids and offers using an electronic matching engine. LDMs from their respective offices post their orders into the ATS.

13.2 DSE MARKET SHARE INDEX (DSEI)

DSE Share Index is a measure of what happens in the market every day. It is useful for:

- calculating benchmark returns to judge portfolio performance;
- development of an index portfolio;
- examining factors that influence aggregate security price movements;
- technical analysis, to predict future price movements; and
- Computing security's systematic risk by examining how its return responds to changes in the market index.

The DSE Index is measured using the following formulae:

$$\begin{aligned} \text{Index} &= \text{Sector IMC} * 100 \text{ Sector Base} \\ \text{Sector IMC} &= \frac{\text{the summation of Instrument Index Market Capitalization (IMC) of all instruments in the sector}}{\text{Sector Base}} \\ \text{Instrument IMC} &= (\text{Index Quantity} * \text{Index Price}) \text{ for a particular instrument} \end{aligned}$$

Index Price = the index price will be the last traded price of an instrument during the trading session and the closing price after the market close.

Sector Base = (Index Quantity * Par Value) of all instruments in the Sector

When a trade takes place for a particular instrument, the ATS would calculate the new Sector Indexed Market capital as follows:

Sector IMC (new) = Sector IMC (old) – Instrument IMC (old) + Instrument IMC (new)

And hence the new index would be:

Index = (Sector IMC (new) / Sector base) * 100

DSE index is grouped into different sectors to enable measuring what happens to respective sectors. These sectors are: All Share Index (ASI), Tanzania Share Index (TSI), Foreign Share Index (FSI), Industrial and Allied Share Index (ISI), and Banking and Insurance Share Index (BSI).

14.0 CLEARING AND SETTLEMENT

Clearing and settlement is conducted through an electronic Central Depository System (CDS) which has been operational from 1999. This is the share registration system which facilitates registration of changes of ownership of securities electronically. The CDS facilitates the delivery of securities in time for the settlement of trades within three working days (T+3) and one working day (T+1) for shares and bonds respectively.

15.0 MARKET SURVEILLANCE

Both the Capital Markets and Securities Authority (CMSA) and DSE monitor the market trading activities to detect possible market malpractices such as false trading, market manipulation, insider dealing, short-selling, etc. DSE is responsible for on-line/on-site surveillance and the CMSA for on-line/off-site surveillance. The CEO of the DSE has the authority to suspend anytime offers and bids that are deemed to be suspicious.

16.0 INVESTOR PROTECTION

Pursuant to the provisions of the Capital Markets and Securities Act, 1994 the DSE has established a Fidelity Fund Account to be used to compensate investors who suffer financial loss arising from fraud and misappropriation of funds by Licensed Dealing Members (LDMs). The Fund is maintained by the DSE. The fund can also be used to compensate investors who suffer losses as a result of Licensed Dealing Members' (LDMs) negligence. The compensation amount is currently limited to TZS 100,000/=.

17.0 INVESTOR EDUCATION

Investor education is provided by the DSE through presentations to various seminars organized by DSE or by other institutions and through visits to the DSE. Educational brochures are periodically published about the basics of investments and the financial instruments that are available or traded in the capital markets and whenever a new product is introduced in the market. Currently, the DSE frequently runs country wide TV and radio programs targeted to educate the public on Capital Market operations. The DSE website offers relevant information for all investors, financial performance of the listed companies and for those invested on the DSE itself the Investor Relation tab from the DSE website has investor information, financial & reports and investor presentations

18.0 INVESTING AT THE DAR ES SALAAM STOCK EXCHANGE PLC

Both foreigners and Tanzanians are allowed to invest on the listed securities at the DSE. Anyone interested in investing on either equity or bonds must contact DSE Licensed Dealing Members.

18.1 Mobile Trading

Investors can buy and sell shares through their mobile phones simply by dialing *150*36# (Vodacom, Tigo & Airtel) for quotation, later will receive a message prompt to pay either by Mpesa, Tigo Pesa, Airtel Money or Maxmalipo. Within 3 days the respective broker that you have chosen will contact you.

19.0 TAX INCENTIVES

19.1 Corporate Bonds Listed on DSE

Interest on long-term bonds exempt from tax

Investors in long-term bonds (at least three years maturity) that are listed on the DSE are exempted from tax on interest earned by investing in such bonds. The issuer of such bonds is not required to deduct withholding tax (“WHT”) when paying out interest to investors.

* Section 142 (7) of the Income Tax Act, 2004 (“ITA”), limits this exemption to interest earned from bonds that were issued and listed on the DSE in the 2002/ 2003 fiscal year.

Interest on EADB bonds exempt from tax

An investor in bonds issued by the East African Development Bank (“EADB”) and which are listed on the DSE is exempt from income tax on interest earned from such bonds. EADB as the issuer is not required to deduct WHT when paying interest on such bonds.

* Para (t) of the Second Schedule to the ITA.

19.2 Company Listing on the DSE

IPO expenditure is wholly deductible

Expenditure incurred by a company for the purposes of an Initial Public Offer (“IPO”) and first listing on the DSE is considered “research and development expenditure”, which is fully deductible in computing any taxable profits for the year in which the expenditure is incurred.

* Section 15 (1) and (2) of the ITA

Lower Income Tax rate for newly listed companies

A company newly listed on the DSE, with at least 30% of its shares issued to the public, enjoys a reduced corporate income tax rate of 25% (compared to 30% for unlisted companies) for 3 consecutive years from the date of listing.

* Para 2 of the First Schedule to the ITA

Income of Fidelity Fund is exempt from tax

Any income realised by the Fidelity Fund established under the Capital Markets and Securities Act is exempt from income tax, thus boosting the Fund's liquidity and increasing confidence of compensation to market participants.

* Para (s) of the Second Schedule to the ITA

19.3 Shareholders of DSE-listed Company

Capital Gains exempt from tax

Where a person holds shares that are less than 25% of the shareholding of a DSE-listed company, and disposes of the shares, any gain realised from such disposal is exempt from income tax.

* Definitions of "business asset" and "investment asset" under Section 3 of the ITA, read together with Para (l) of the Second Schedule to the ITA

Lower tax rate on dividends

Dividends earned from a corporation listed on the DSE are subject to a reduced 5% WHT, compared to 10% deducted from dividends paid by non-listed companies.

* Para 4 (b) (i) (aa) of the First Schedule to the ITA

Stamp duty exemption

Where a person holds shares in a DSE-listed company, and sells or transfers such shares to another person, the transferee is not required to pay (is exempt from) stamp duty on the instrument of transfer.

* Proviso to Para 60 of the Schedule to the Stamp Duty Act, 1972

Income of Investor Compensation Fund is exempt

Any income derived by the Investor Compensation Fund ("ICF"), established under the Capital Markets Regulatory Authority, is exempt from income tax. This boosts the liquidity of the ICF, thus increasing confidence of compensation to investors in case of any losses that are the subject of compensation.

* Para (f) (iii) of the Second Schedule to the ITA

19.4 Other Investment Schemes

Final tax on Unit Trust interest income

It is encouraged to formulate unit trusts because withholding tax on interest earned by a unit trust is the final tax on such income. This incentive seeks to boost the unit trust's reserves available for distribution to investors.

* Section 86 (1) (f) of the ITA

Unit Trust distributions are exempt

Beneficiaries of local unit trusts are exempt from income tax on any distributions made by the unit trusts.

* Section 52 (2) of the ITA

Gains from sale of units are exempt

Any gains realised upon disposal of unit trust units are exempt from income tax.

* Para (u) of the Second Schedule to the ITA

20.0 INTERMEDIARIES CONTACTS

20.1 LICENSED DEALING MEMBERS

<p>Core Securities Ltd P.O. Box 76800, Fourth Floor – Elite City Building, Samora Avenue</p> <p>Tel: +255 22 2123103, Fax: +255 22 2122562 Website: www. coresecurities.co.tz</p>	<p>Orbit Securities Co. Ltd 4th Floor, PSPF Golden Jubilee Towers, Ohio Street, Dar es Salaam</p> <p>Tel: +255 22 211 1758 Fax: +255 22 211 3067 E-mail: orbit@orbit.co.tz</p>	<p>E. A. CAPITAL P.O. Box 20650, Dar es salaam Offices: 6th Floor, IT Plaza, Ohio Street Mob: +255 (0)779 740818, Fax: 255 (0)784 461759 E-mail: ec@eacapital-tz. com</p>	<p>Optima Corporate Finance P.O. Box 4441, Dar es salaam Offices: Mikocheni, Senga Road, Plot No 565 B. Mob: +255 (0)787 670359 E-mail: info@optimacorporate. co.tz</p>
<p>TSL Investment Management Ltd 7th Floor, IPS Building Samora Avenue/ Azikiwe Street, Dar es Salaam</p> <p>Tel: +255 22 211 2807 Fax: +255 22 211 2809 E-mail: info@ tanzaniasecurities.co.tz</p>	<p>Vertex International Securities Ltd Annex Building-Zambia High Commission Sokoine / Ohio Street, Dar es Salaam</p> <p>Tel: +255 22 211 6382 Fax: +255 22 210387 E-mail: vertex@vertex.co.tz</p>	<p>Solomon Stockbrokers Co. Ltd Ground Floor, PPF House Samora Avenue/ Morogoro Road, Dar es Salaam</p> <p>Tel: +255 22 211 2874 Fax: +255 22 213 1969 E-mail: solomon@simbanet. net</p>	<p>Smart Stock Brokers P.O. Box 105678, Dar es salaam Offices: 1st Floor, Masdo House, Samora Avenue, Tel: +255 (0)222 133607 E-mail: Website: www.archfia.or.tz</p>

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20.3 REGISTERED NOMINATED ADVISORS

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