



DAR ES SALAAM STOCK EXCHANGE  
(DSE)

**HAND BOOK**

*March, 2008*

## **Table of Contents**

1.0 VISION.....	3
2.0 MISSION.....	3
3.0 INTRODUCTION.....	4
4.0 POSITION OF CAPITAL MARKETS IN A FINANCIAL SYSTEM.....	4
5.0 REGULATORY FRAMEWORK.....	5
6.0 DSE FUNCTIONS.....	6
7.0 DSE MEMBERSHIP.....	8
8.0 DSE ORGANIZATIONAL STRUCTURE.....	9
9.0 BASIC LISTING RULES.....	10
10.0 DSE FEES:.....	14
11.0 CURRENT LISTINGS.....	18
12.0 TRADING SYSTEM.....	30
13.0 CLEARING AND SETTLEMENT.....	30
14.0 MARKET SURVEILLANCE.....	31
15.0 INVESTOR PROTECTION.....	31
16.0 INVESTOR EDUCATION.....	31
17.0 FISCAL INCENTIVES .....	32
18.0 INTERMEDIARIES CONTACT ADDRESSES.....	33
19.0 DSE ADDRESS.....	35

## **1.0 VISION**

*To be a model Securities Exchange in the Region*

## **2.0 MISSION**

*To provide a responsive securities market which mobilizes savings and channels them into productive sectors, encourages a savings culture that contributes to the country's economic growth and facilitates wider access to resources*

### **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 financial system is, to the economy, what oil is 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.

## **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. So far CMSA has already made more than 14 sets of Regulations to cater for various issues. The DSE has also made several sets of Rules which are found in a book popularly known within the industry as the DSE Blue Print (*More details are found in the respective laws, regulations and rules*).

## 6.0

### **DSE FUNCTIONS**

(i) **Provides a market for listed securities**

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

(ii) **Facilitates price discovery.**

The pricing mechanism ensures that buyers and sellers can do so at a price determined by demand and supply forces. Neither the Exchanges nor brokers determine the prices of the securities traded on Stock Exchanges.

**(iii) Facilitator of 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 stringent 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).

**(iv) Facilitates privatization and wider ownership of resources**

The DSE has facilitated and continue to facilitate the privatizations of the some parastatal organizations which were hitherto under the control of the Government whose shares have been sold by the Government through the DSE.

**(v) 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 the companies selling these securities are well known and have met stringent 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.

**(vi) Creation of wealth through investing in listed securities**

It has been proved in many occasions that shares offer investors the real return because shares out-perform inflation on average and have done so consistently since share markets came into existence. Shares listed at the DSE have performed very well above the inflation rate when compared with bank deposits. Shares are not passive store of value like banks' deposits. Bank's deposits do not increase in size during the lock-in period but shares do increase in value over-time.

**(vii) Contributes to the cultural transformation of Tanzanians**

At the time the DSE was established, only a handful Tanzanians could claim to be knowledgeable with stock market operations. Operationalization of the DSE has contributed substantially towards public enlightenment which has caused a few Tanzanians to invest in listed companies as a result of this transformation. The public enlightenment exercise is a continuous one and will continue while taking into account past experiences. It is the DSE's goal that Tanzanians appreciate and eventually adopts a thrift culture that thrives an 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, companies with a potential for listing, 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 Council of the DSE (***More details are found in the DSE Blue Print***).

## 8.0

### **DSE ORGANIZATIONAL STRUCTURE**

The DSE is a body corporate incorporated in 1996 under the Companies Act, 2002 (Cap.212) as a company limited by guarantee without a share capital. 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 members of the company. This is a forum of all subscribers to the Memorandum and Articles of Association of the DSE. This forum is the final organ in the governance ladder within the DSE.

The second pillar (below the General Meeting) is the Governing Council 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 Council. The Council is accountable to the General Meeting (***More details are found in the DSE Blue Print 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 Governing Council.

## 9.0

### **BASIC LISTING RULES**

The 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).

<b>S/NO.</b>	<b>CRITERIA</b>	<b>MAIN INVESTMENT MARKET SEGMENT</b>	<b>ENTERPRISE GROWTH MARKET SEGMENT</b>
1.	Track record of existence	At least three years	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 and costed.
2.	Profitability Track record	Profits 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 500 million	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	At least TZS 500 million.	The company shall have at least 50% of its net assets situated within Tanzania.
6.	Issuer Type	All companies from different economic sectors.	Growth companies of all sizes.

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 listed shares. In this case public shareholders will own not more than 1% for individuals and not more than 5% for institutions.	At least 20% 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	Disclose the estimated amount of the proceeds from the offer (net of the expenses of the offer) broken down into each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the amount and sources of other funds needed. 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.	Disclose the estimated amount of the proceeds from the offer (net of the expenses of the offer) broken down into each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the amount and sources of other funds needed. 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.
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 adequacy	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.

\* (All Rules are found in the DSE Blue Print).

## 10.0

### **DSE FEES:**

#### **(a) LISTING FEES**

##### **(i) Equities**

	<b>MIMS</b>	<b>EGMS</b>
Initial Listing Fees (when a company comes to the market for the first time)	0.2% of the market capitalization subject to a minimum of TZS 2 million and maximum of TZS 20 million.	0.1% of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 10 million.
Additional Listing Fees (payable by a company already listed when seeking listing of additional securities)	0.02% of the market capitalization of additional shares subject to a minimum of TZS 2 million and a maximum of TZS 20 million.	0.01% of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 10 million.
Annual Listing Fees (payable annually by all listed companies)	0.05% of the market capitalization of listed securities at a particular date subject to a minimum of TZS 2,000,000/= and a maximum of TZS 10,000,000/=	0.025% of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 5 million.

(ii) **Bonds**

Initial Listing Fees (when a company comes to the market for the first time)	0.05% of the value of the securities to be listed subject to a minimum of TZS 500,000/= and a maximum of TZS 5,000,000/=
Additional Listing Fees (payable by a company already listed and is seeking listing additional securities)	0.025% of the market value of the additional securities subject to a minimum of TZS 250,000/= and a maximum of TZS of TZS 2,500,000/=
Annual Listing Fees (payable annually by all listed companies)	0.0125% of the market capitalization of listed securities at a particular date subject to a minimum of TZS 500,000/= and a maximum of TZS 2,500,000/=

**(b) TRANSACTION FEES**

**(i) Equities**

<b>Consideration</b>	<b>Brokerage Commission</b>	<b>Transaction Fee</b>	<b>Fidelity fee</b>	<b>Total cost to investor</b>
On the first TZS 10m	1.70	0.28	0.02	2.00
On the next TZS 40m	1.50	0.28	0.02	1.80
On any sum above TZS 50m	0.80	0.28	0.02	1.10%

**(ii) Bonds**

<b>Transaction size</b>	<b>Applicable commission</b>
Up to TZS 40m	1/16%
On any additional	1/32%
Amount exceeding TZS 40m Minimum commission	TZS 5,000

**(c) CDS FEES**

**(i) CDS Fees**

<b>S/NO.</b>	<b>CATEGORY OF FEES/SERVICE</b>	<b>MIMS</b>	<b>EGMS</b>
(i)	Transaction Fee	0.05% of the value of each transaction subject to the maximum amount of TZS 1,000/=	0.05% of the value of each transaction subject to the maximum amount of TZS 1,000/=
(ii)	Custody Fees	TZS 1,000	TZS 1,000
(iii)	Consolidation Fees	TZS 1,000	TZS 1,000
(iv)	Re-Issue Fee (Per- CDS Receipt)	TZS 2,000	TZS 2,000
(v)	Private Transfer Fees	TZS 1,000	TZS 1,000
(vi)	Issue of Statements on request	TZS 5,000	TZS 5,000
(vii)	Withdrawal Fees	TZS 50,000	TZS 50,000/=
(viii)	Mortgaging and Releasing of Mortgages	TZS 50,000	TZS 50,000
(ix)	Processing of IPO	0.5% of market capitalization subject to a minimum of TZS 2 million and maximum of TZS 10 million	0.25% of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 5 million
(x)	Processing of a non-listed company's register	TZS 15,000,000	TZS 7,500,000
(xi)	Change of LDM by CDS account holder	TZS 1,000	TZS 1,000

**(ii) CDS Members' Fees**

<b>S/NO.</b>	<b>CATEGORY OF FEES/SERVICE</b>	
(i)	Admission Fee	TZS 1,000,000
(ii)	Annual Fees	TZS 500,000

**11.0**

**CURRENT LISTINGS**

**(a) EQUITY LISTINGS**

**(i) Domestic Companies**

<b>Name of the Company</b>	<b>Date Listed</b>	<b>Nature of Business</b>
TOL Gases Ltd. (TOL)	15 <sup>th</sup> April, 1998	Production and distribution of industrial gases, welding equipments, medical gases, etc.
Tanzania Breweries Ltd. (TBL)	9 <sup>th</sup> September, 1998	Production, marketing and distribution of malt beer in Tanzania
Tanzania Tea Packers Ltd. (TATEPA)	17 <sup>th</sup> December, 1999	Growing, processing, blending, marketing and distribution of tea and instant.
Tanzania Cigarette Co. Ltd. (TCC)	16 <sup>th</sup> November, 2000	Manufacturing, marketing, distribution and sale of cigarettes.
Tanga Cement Co. Ltd. (SIMBA)	26 <sup>th</sup> September, 2002	Production, sale and marketing of cement.
Swissport Tanzania Ltd. (SWISSPORT)	26 <sup>th</sup> September, 2003	Airports handling of passengers and cargo.
Tanzania Portland Cement Co. Ltd. (TWIGA)	29 <sup>th</sup> September, 2006	Production, sale and marketing of cement.

**(ii) Cross-Listed Companies**

<b>Name of the Company</b>	<b>Date Cross-Listed</b>	<b>Nature of Business</b>
Kenya Airways Ltd. (KA)	1 <sup>st</sup> October, 2004	Passengers and cargo transportation to different destinations in the world.
East African Breweries Ltd. (EABL)	29 <sup>th</sup> June, 2005	Holding Company in various companies that are involved in production, marketing and distribution of malt beer in Kenya, Uganda and Mauritius.
Jubilee Holdings Ltd. (JHL)	20 <sup>th</sup> December, 2006	Holding company in several companies that are involved in insurance businesses in Kenya, Uganda and Tanzania.

**(iii) Level of Subscription of the Past Initial Public Offers**

<b>Company</b>	<b>IPO Price</b>	<b>Offer Value</b>	<b>Level of Subscription</b>	<b>Percentage level of Subscription</b>	<b>Share Holders</b>
TOL*	500	3,750,000,000	3,750,000,000		10,500
TBL	550	12,976,852,350	9,630,874,000	-25.8	23,000
TATEPA	330	498,115,200	523,020,960	+5	2,000
TCC	410	7,995,000,000	9,394,125,000	+17.5	7,508
SIMBA	300	6,207,927,000	24,210,915,300	+290	14,228
DAHACO	225	3,969,000,000	31,196,340,000	+686	41,025
TWIGA	435	23,479,516,500	86,419,680,855	+368	18,300

\*TOL IPO was underwritten

(b) **CORPORATE BONDS**

**(Outstanding Corporate Bonds as of 30<sup>th</sup> June, 2007)**

Name of Issuer	Description of Bond	Date of Issue	Outstanding Principal Amount	Interest Rate	Redemption
East African Development Bank (EADB) (3 <sup>rd</sup> Issue)	TZS 15 billion fixed rate bond	23 <sup>rd</sup> May, 2005	TZS 12 billion	On interest determination date by reference to most recent Government 7 years fixed TB issue plus a margin of 75 basis points	Two year grace period followed by 10 semi-annual installments commencing on 9 <sup>th</sup> June 2007. Final maturity 13 <sup>th</sup> June, 2012.
Eastern, Central and Southern African Trade Development Bank (PTA)	TZS 15 billion fixed Rate Bond issued at 99.75%	26 <sup>th</sup> August, 2003	TZS 7.5 billion	Fixed Rate 10.45%. Floating Rate interest to be based on the most recent 182 day Treasury Bill plus 60 basis points.	10 semi-annual installments on 15 <sup>th</sup> February and August commencing on 15 <sup>th</sup> February, 2006. Final maturity 15 <sup>th</sup> August, 2010.

BARCLAYS BANK (T) LTD.	TZS 10 billion Tranche "A" unsecured and subordinated Medium Term Note	19 <sup>th</sup> July, 2005	TZS 10 billion	<p>Dual interest rates:</p> <p>Fixed Rate of 13% Yield to maturity of 5 year Government Note Issue No. 07/2005 Auction No. 1 (12.937% plus 15 basis points).</p> <p>Floating Rate 182 day T/Bill plus 30 basis points subject to a maximum of 15% per annum.</p>	To be redeemed at par on 19 <sup>th</sup> July, 2010.
BARCLAYS BANK (T) LTD.	TZS 10 billion Tranche "B" unsecured and subordinated Medium Term Note	22 <sup>nd</sup> February, 2006	TZS 10 billion	<p>Dual interest rates:</p> <p>Fixed Rate of 14.60% per annum.</p> <p>Floating Rate</p> <p>The most recent 182 day T/Bill rate plus 30 basis points as published by the Bank of Tanzania prior to the interest calculation.</p>	To be redeemed at par on 21 <sup>st</sup> February, 2011.
BARCLAYS BANK (T) LTD.	TZS 4.6 billion Tranche "C" unsecured and subordinated Medium Term Note	27 <sup>th</sup> October, 2006	TZS 4.6 billion	<p>The most recent 182 day T/Bill rate plus 40 basis points as published by the Bank of Tanzania prior to the interest calculation.</p>	To be redeemed at par on 26 <sup>th</sup> October, 2011.

STANDARD CHARTERED BANK LTD.	TZS 8 billion subordinated and unsecured due 2015.	6 <sup>th</sup> July, 2005	TZS 8 billion	Weighted average Yield to maturity Rate for the most recent 182 day T/Bills plus 40 basis points until May, 2010. 180 day T/Bills plus 80 basis points until May, 2015).	Bonds to be redeemed in full at par on final maturity 25 <sup>th</sup> August, 2015 with option for early redemption by the Issuer anytime after 25 <sup>th</sup> August, 2010.
BIDCO	TZS 10 billion dual interest rates: a fixed rate and a variable rate due 2009.	23 <sup>rd</sup> January, 2004	TZS 5 billion	Dual interest rates: a fixed rate and a variable rate. Fixed is pegged 30 basis points above the 10.15% yield on the 5-year Treasury bond auctioned on 14 January 2004, which gives 10.45% per annum. The variable rate is pegged 60 basis points above the latest available 182-days Treasury Bills' rate.	4 equal installments on 3 <sup>rd</sup> August, 2007; 1 <sup>st</sup> February, 2008; 1 <sup>st</sup> August, 2008; and 29 <sup>th</sup> January, 2009.

**(c) GOVERNMENT BONDS**

**(Outstanding Bonds as of 31<sup>st</sup> March, 2008)**

COUPON RATE	TENOR (YEARS)	MATURITY DATE	FACE VALUE
7.82%	2	26-Apr-2008	4,000,000,000
7.82%	2	27-Apr-2008	4,000,000,000
7.82%	2	27-Apr-2008	8,816,800,000
7.82%	2	20-Jul-2008	4,000,000,000
7.82%	2	20-Jul-2008	7,020,000,000
7.82%	2	27-Jul-2008	8,000,000,000
7.82%	2	26-Oct-2008	4,000,000,000
7.82%	2	26-Oct-2008	2,300,000,000
7.82%	2	26-Oct-2008	6,300,000,000
7.82%	2	26-Oct-2008	24,144,000,000
7.82%	2	29-Jan-2009	1,883,900,000
7.82%	2	29-Jan-2009	15,257,200,000
7.82%	2	29-Jan-2009	17,673,000,000
7.82%	2	29-Jan-2009	4,000,000,000
7.82%	2	19-Apr-2009	5,000,000,000
7.82%	2	19-Apr-2009	19,066,200,000
7.82%	2	24-Jul-2009	32,812,900,000
7.82%	2	24-Jul-2009	12,350,000,000
7.82%	2	24-Jul-2009	18,602,100,000
7.82%	2	25-Oct-2009	5,000,000,000
7.82%	2	25-Oct-2009	6,407,000,000
		<b>SUBTOTAL</b>	<b>215,633,100,000</b>
9.18%	5	9-Oct-2008	4,400,000,000
9.18%	5	9-Oct-2008	4,600,000,000
9.18%	5	9-Oct-2008	2,803,200,000
9.18%	5	9-Oct-2008	4,000,000,000
9.18%	5	9-Oct-2008	2,400,000,000
9.18%	5	9-Oct-2008	3,300,000,000
9.18%	5	9-Oct-2008	4,000,000,000
9.18%	5	9-Oct-2008	1,900,000,000
9.18%	5	16-Sep-2009	3,740,000,000
9.18%	5	16-Sep-2009	4,584,000,000
9.18%	5	16-Sep-2009	2,622,000,000
9.18%	5	16-Sep-2009	600,000,000
9.18%	5	16-Sep-2009	4,214,000,000
9.18%	5	14-Apr-2010	4,000,000,000
9.18%	5	14-Apr-2010	2,000,000,000
9.18%	5	14-Apr-2010	4,000,000,000
9.18%	5	14-Jul-2010	4,000,000,000

9.18%	5	14-Apr-2010	4,000,000,000
9.18%	5	6-Oct-2010	3,674,100,000
9.18%	5	6-Oct-2010	7,012,000,000
9.18%	5	6-Oct-2010	4,000,000,000
9.18%	5	5-Jan-2011	4,000,000,000
9.18%	5	5-Jan-2011	4,000,000,000
9.18%	5	5-Jan-2011	929,000,000
9.18%	5	20-Apr-2011	4,000,000,000
9.18%	5	20-Apr-2011	4,000,000,000
9.18%	5	20-Apr-2011	4,000,000,000
9.18%	5	27-Jul-2011	3,165,000,000
9.18%	5	19-Oct-2011	4,000,000,000
9.18%	5	19-Oct-2011	4,000,000,000
9.18%	5	19-Oct-2011	6,600,000,000
	5		6,800,000
9.18%		18-Jan-2012	0
9.18%	5	18-Jan-2012	2,210,000,000
9.18%	5	18-Jan-2012	2,677,200,000
9.18%	5	12-Apr-2012	4,000,000,000
9.18%	5	20-Apr-2012	4,000,000,000
9.18%	5	12-Apr-2012	12,900,000,000
9.18%	5	2-Jul-2012	5,000,000,000
9.18%	5	2-Jul-2012	4,992,000,000
9.18%	5	2-Jul-2012	5,643,500,000
9.18%	5	2-Jul-2012	5,000,000,000
9.18%	5	18-Oct-2012	5,000,000,000
9.18%	5	18-Oct-2012	5,000,000,000
9.18%	5	14-Jan-2013	15,000,000,000
		<b>SUBTOTAL</b>	<b>202,629,300,000</b>
			<b>0</b>
7.75%	7	20-Aug-2009	5,200,000,000
7.75%	7	20-Aug-2009	5,000,000,000
7.75%	7	22-Aug-2009	5,000,000,000
7.75%	7	22-Aug-2009	5,000,000,000
7.75%	7	22-Aug-2009	5,000,000,000
6.60%	7	22-Jan-2010	314,700,000

6.60%	7	22-Jan-2010	420,000,000
6.60%	7	23-Jan-2010	2,500,000,000
6.60%	7	23-Jan-2010	2,500,000,000
6.60%	7	23-Jan-2010	4,492,000,000
6.60%	7	23-Jan-2010	4,270,000,000
6.60%	7	23-Jan-2010	3,480,000,000
6.60%	7	23-Jan-2010	1,010,000,000
10.08%	7	16-Oct-2010	2,150,000,000
10.08%	7	16-Oct-2010	1,700,000,000
10.08%	7	16-Oct-2010	3,300,000,000
10.08%	7	16-Oct-2010	4,000,000,000
10.08%	7	16-Oct-2010	1,900,000,000
10.08%	7	16-Oct-2010	3,100,000,000
10.08%	7	16-Oct-2010	2,300,000,000
10.08%	7	16-Oct-2010	3,250,000,000
10.08%	7	16-Oct-2010	300,000,000
10.08%	7	23-Sep-2011	1,500,000,000
10.08%	7	16-Sep-2011	4,547,000,000
10.08%	7	16-Sep-2011	4,840,000,000
10.08%	7	23-Sep-2011	2,000,000,000
10.08%	7	22-Apr-2012	2,000,000,000

10.08%	7	22-Apr-2012	2,000,000,000
10.08%	7	21-Jul-2012	4,000,000,000
10.08%	7	21-Jul-2012	4,000,000,000
10.08%	7	13-Oct-2012	4,000,000,000
10.08%	7	13-Oct-2012	4,000,000,000
10.08%	7	13-Oct-2012	4,000,000,000
10.08%	7	13-Oct-2012	4,000,000,000
10.08%	7	13-Jan-2013	4,000,000,000
10.08%	7	13-Jan-2013	5,943,000,000
10.08%	7	9-Mar-2013	3,600,000,000
10.08%	7	9-Mar-2013	4,000,000,000
10.08%	7	9-Mar-2013	3,200,000,000
10.08%	7	11-May-2013	4,000,000,000
10.08%	7	11-May-2013	4,000,000,000
10.08%	7	6-Jul-2013	4,000,000,000
10.08%	7	6-Jul-2013	3,299,200,000
10.08%	7	6-Jul-2013	4,000,000,000
10.08%	7	6-Jul-2013	5,619,900,000
10.08%	7	5-Oct-2013	3,000,000,000
10.08%	7	5-Oct-2013	4,000,000,000
10.08%	7	11-Jan-2014	2,800,000,000

10.08%	7	11-Jan-2014	4,000,000, 000
10.08%	7	5-Apr-2014	2,886,300, 000
10.08%	7	5-Apr-2014	4,000,000, 000
10.08%	7	5-Apr-2014	5,000,000, 000
10.08%	7	5-Apr-2014	5,000,000, 000
10.08%	7	16-Jul-2014	1,522,400, 000
10.08%	7	16-Jul-2014	3,565,640, 000
10.08%	7	16-Jul-2014	5,000,000, 000
10.08%	7	16-Jul-2014	5,000,000, 000
10.08%	7	11-Oct-2014	5,000,000, 000
10.08%	7	11-Oct-2014	5,000,000, 000
10.08%	7	11-Oct-2014	4,646,700, 000
10.08%	7	11-Feb-2015	22,947,000, 000
		<b>SUBTOTAL</b>	<b>233,223,840, 000</b>
8.50%	10	31-Oct-2012	5,000,000, 000
8.50%	10	31-Oct-2012	3,150,000, 000
8.50%	10	31-Oct-2012	3,979,000, 000
7.50%	10	30-Jan-2013	500,000, 000
7.50%	10	30-Jan-2013	530,000, 000
7.50%	10	30-Jan-2013	1,700,000, 000
7.50%	10	30-Jan-2013	2,000,000, 000
7.50%	10	30-Jan-2013	2,500,000, 000

7.50%	10	30-Jan-2013	3,000,000, 000
7.50%	10	30-Jan-2013	2,500,000, 000
7.50%	10	30-Jan-2013	1,750,000, 000
11.44%	10	23-Oct-2013	2,500,000, 000
11.44%	10	23-Oct-2013	2,560,000, 000
11.44%	10	23-Oct-2013	2,010,000, 000
11.44%	10	23-Oct-2013	4,030,000, 000
11.44%	10	23-Oct-2013	2,000,000, 000
11.44%	10	23-Oct-2013	3,000,000, 000
11.44%	10	23-Oct-2013	2,001,100, 000
11.44%	10	23-Oct-2013	25,000, 000
11.44%	10	23-Oct-2013	1,245,100, 000
11.44%	10	26-Aug-2014	1,438,900, 000
11.44%	10	28-Aug-2014	753,800, 000
11.44%	10	28-Apr-2015	1,611,000, 000
11.44%	10	28-Aug-2015	4,000,000, 000
11.44%	10	27-Jul-2015	4,000,000, 000
11.44%	10	28-Aug-2015	4,000,000, 000
11.44%	10	20-Apr-2015	4,000,000, 000
11.44%	10	20-Apr-2015	4,620,000, 000
11.44%	10	20-Apr-2015	4,000,000, 000

11.44%	10	20-Oct-2015	5,350,000,000
11.44%	10	19-Jan-2016	4,000,000,000
11.44%	10	19-Jan-2016	4,000,000,000
11.44%	10	19-Jan-2016	4,000,000,000
11.44%	10	6-Apr-2016	5,525,000,000
11.44%	10	6-Apr-2016	4,000,000,000
11.44%	10	13-Jul-2016	3,634,000,000
11.44%	10	13-Jul-2016	1,200,000,000
11.44%	10	13-Jul-2016	4,000,000,000
11.44%	10	5-Oct-2016	4,000,000,000
11.44%	10	5-Oct-2016	3,700,000,000
11.44%	10	5-Oct-2016	4,000,000,000
11.44%	10	1-Feb-2017	4,000,000,000
11.44%	10	1-Feb-2017	247,700,000
11.44%	10	1-Feb-2017	1,635,300,000
11.44%	10	27-Apr-2017	4,000,000,000
11.44%	10	27-Apr-2017	5,000,000,000
11.44%	10	27-Apr-2017	2,504,900,000
11.44%	10	8-Jul-2017	1,955,700,000
11.44%	10	8-Jul-2017	4,322,000,000
11.44%	10	8-Jul-2017	5,000,000,000

11.44%	10	30-Sep-2017	5,000,000, 000
11.44%	10	4-Oct-2017	5,000,000, 000
11.44%	10	4-Oct-2017	1,699,800, 000
		<b>SUBTOTAL</b>	<b>162,178,300, 000</b>
		<b>TOTAL</b>	<b>813,664,540,000</b>

## 12.0 TRADING SYSTEM

Trading is conducted at the DSE Trading Floor through an Automated Trading System (ATS). This is an electronic system which matches bids and offers using an electronic matching engine. LDMs converge at the trading room and post their orders in the ATS. Matched orders are displayed on the computer terminal in the trading room and projected in the public gallery. Currently, the ATS operates on a local area network (LAN). Future plans include operation in a wide area network (WAN) which can be accessed by brokers even out of Dar es Salaam. This system will enable the DSE to meet the potential growth expected to take place in the Tanzania securities industry (*More details are found in the DSE Blue Print*).

## 13.0 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 to be implemented within five working days (T+5). The CDS has been upgraded in order to match with the ATS. It is expected that clearing and settlement cycle will soon move to T+3 (*More details are found in the DSE Blue Print*).

## **14.0**

### **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.

## **15.0**

### **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/=.

## **16.0**

### **INVESTOR EDUCATION**

Investor education is provided by the DSE through presentations to various seminars organized by itself or by other institutions and through visits to the DSE to observe trading activities. The DSE plans to run the DSE "Bourse Game" to secondary schools and higher learning institutions within the country with a view to educating them about the basic fundamentals of investing and trading in the Stock Exchange. 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.

## 17.0

## **FISCAL INCENTIVES**

The Government has deliberately provided several incentives in order to encourage active participation in capital markets by Issuers and investors.

### **INCENTIVES TO ISSUERS**

- (i) Reduced corporate tax from 30% to 25% for the period of three years where the Issuer has issued at least 35% of the issued shares held by the public. The reduced rate is applicable for five years starting from listing date.
- (ii) Tax deductibility of all Initial Public Offering (IPO) costs for the purposes of income tax determination. All IPO costs are accepted by the Tanzania Revenue Authority (TRA) as acceptable expenses used in the generation of income and profits, and therefore are taken into consideration when determining profit for tax purposes; and
- (iii) Withholding tax on investment income made by Collective Investment Schemes (CIS) is final tax. Investors in CIS are not charged with tax on the income distributed by CIS after the scheme's income taxation.

### **INCENTIVES TO INVESTORS**

- (i) Zero capital gain tax as opposed to 10% for unlisted companies;
- (ii) Zero stamp duty on transactions executed at the DSE compared to 6% for unlisted companies;
- (iii) Withholding tax of 5% on dividend income as opposed to 10% for unlisted companies;
- (iv) Zero withholding tax on interest income from listed bonds whose maturities are three years and above;
- (v) Exemption of withholding tax on income accruing to fidelity fund maintained by DSE for investor protection; and
- (vi) Income received by the Collective Investment Scheme (CIS) investors is tax-exempt.

## 18.0

**INTERMEDIARIES CONTACT ADDRESSES****(a) LICENSED DEALING MEMBERS**

<p><b>CORE securities Ltd</b> Ground Floor, Twiga House Samora Avenue, DSM Tel: +255 22 212 3103 Fax: +255 22 218 2521 info@coresecurities.co.tz</p>	<p><b>Orbit Securities Co. Ltd</b> 3<sup>rd</sup> Floor, Twiga house Samora Avenue, DSM Tel: +255 22 211 1758 Fax: +255 22 211 3067 orbit@orbit.co.tz</p>
<p><b>Rasilimali Ltd</b> Former TACOSHILI Offices Sokoine Drive, DSM Tel: +255 22 211 1708 Fax: +255 22 212 2883 rasilimali@africaonline.co.tz</p>	<p><b>Solomon Stockbrokers Co. Ltd</b> Ground Floor, PPF House Samora Avenue/ Morogoro Road, DSM Tel: +255 22 211 2874 Fax: +255 22 213 1969 solomon@simbanet.net</p>
<p><b>Tanzania Securities Ltd</b> 7<sup>th</sup> Floor, IPS Building Samora Avenue/ Azikiwe Str, DSM Tel: +255 22 211 2807 Fax: +255 22 211 2809 tsl@muchs.ac.tz</p>	<p><b>Vertex International Securities Ltd</b> Annex Building – Zambia High Commission Sokoine Drive / Ohio Street, DSM Tel: +255 22 211 0392 Fax: +255 22 211 0387 vertex@intafrika.com</p>

**(b) LICENSED INVESTMENT ADVISORS**

<p><b>African Banking Corporation</b>  1<sup>st</sup> Floor, Barclays House  Ohio Street/ Ali H. Mwinyi Road, DSM  Tel: +255 22 211 0392  Fax: +255 22 211 2402</p> <p><b>Aureos Tanzania Managers Ltd</b>  50 Mirambo Street, DSM  Tel: +255 22 211 2926  Fax: +255 22 2113645</p> <p><b>Barclays Bank Tanzania Ltd</b>  TDFL Building  Ohio Street, DSM  Tel: +255 22 212 9381  Fax: +255 22 212 9757</p> <p><b>Consultants for Resources Evaluation Ltd</b>  Ground Floor, Twiga House  Samora Avenue, DSM  Tel: +255 22 212 3103  Fax: +255 22 218 2521</p> <p><b>Deloitte Consulting Ltd</b>  10<sup>th</sup> Floor, PPF Tower  Ohio street, DSM  Tel: + 255 22 211 6006  Fax: +255 22 211 6379</p>	<p><b>Orbit Securities Company Ltd</b>  3<sup>rd</sup> Floor, Twiga House  Samora Avenue, DSM  Tel: +255 22 211 1758  Fax: +255 22 211 3067</p> <p><b>Rasilimali Ltd</b>  Former TACOSHILI Offices  Sokoine Drive, DSM  Tel: +255 22 211 1708  Fax: +255 22 212 2883</p> <p><b>Standard Chartered Bank (T) Ltd</b>  International House  Shaaban Robert Street/Garden Avenue,  DSM  Tel: +255 22 212 2160  Fax: +255 22 212 2089</p> <p><b>Tanzania Securities Ltd</b>  7<sup>th</sup> Floor, IPS Building  Samora Avenue/Azikiwe Street, DSM  Tel: +255 22 211 2807  Fax: +255 22 211 2809</p> <p><b>Unit Trust of Tanzania</b>  3<sup>rd</sup> Floor, Sukari House  Samora Avenue/Azikiwe Street, DSM  Tel: + 255 22 212 8460  Fax: + 255 22 213 7593</p> <p><b>Vertex Financial Services</b>  Annex Building, Zambia High  Commission  Sokoine Drive / Ohio Street, DSM  Tel: +255 22 211 0392  Fax: +255 22 211 0387</p>
--	--

## 19.0 **DSE ADDRESS**

Chief Executive Officer,  
Dar es Salaam Stock Exchange,  
4th Floor, Twiga House,  
Samora Avenue,  
P.O. Box 70081,

**DAR ES SALAAM.**

Tel : 255 22 2128522/2135779

Fax : 255 22 2133849

E-mail : [info@darstockexchange.com](mailto:info@darstockexchange.com)

Website : [www.darstockexchange.com](http://www.darstockexchange.com)