



SECURITIES AND EXCHANGE COMMISSION  
*Protecting Investors in the Capital Markets*

Directorate of Market Supervision and Development

## CIRCULAR No: 1/2019/DMSD

TO : ALL LICENSED DEALERS  
SUBJECT : SUBMISSION OF MONTHLY CAPITAL ADEQUACY RETURNS  
DATE : 26<sup>TH</sup> APRIL, 2019

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Reference is made to the above subject matter.

The Commission wishes to remind Dealers of the provisions of Sections 28 and 29 of the Securities (Accounting and Financial Requirements) Rules, Statutory Instrument No. 171 of 1993 which require licensed dealers to provide and at all times maintain in their business as a dealers a net capital of not less than K50,000 and a liquidity margin of not less than K5,000. These provisions are restated below for ease of reference:

**Rule 28:** *“A licensed dealer shall provide and at all times maintain in his business as a dealer a net capital of not less than K50,000.”*

**Rule 29:** *“A licensed dealer shall maintain at all times in his business as a dealer a liquidity margin of not less than 10 per centum of the minimum net capital requirement specified in rule twenty-eight as the case may be.”*

Rule 30 further imposes a duty on a licensed dealer as follows:

**Rule 30:** *“If a licensed dealer becomes aware of his inability to comply with the minimum net capital or liquidity margin requirements, he shall forthwith-*

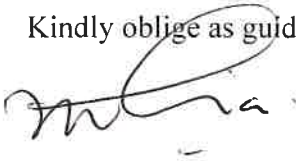
- (a) notify the Commission, and any securities exchange of which he is a member; and*
- (b) cease dealing in securities otherwise than for the purpose of giving effect to any agreement or arrangement entered into before the time when he becomes so aware.*

Kindly note that Rule 30 mandates a licensed dealer to cease dealing in securities immediately they become aware of their inability to comply with Rules 28 and 29.

In order to ensure compliance with the above stated rules, the Commission hereby informs licenced Dealers that you are required to submit **monthly capital adequacy returns** to the Commission forthwith. The deadline for submission of these returns shall be the **10<sup>th</sup> of every month** following the month to which the returns relate to. Kindly take note that the first returns shall be for the month of April, 2019 and thus the deadline for submitting to the Commission is **10<sup>th</sup> May, 2019**.

The monthly capital adequacy returns should be submitted in the SEC prescribed format and in soft copy to the following email address: [supervision@seczambia.org.zm](mailto:supervision@seczambia.org.zm). A copy of the SEC prescribed format can be accessed from the Commission's website at [www.seczambia.org.zm](http://www.seczambia.org.zm). Alternatively, please feel free to request the supervision team to email you a copy of the prescribed format.

Kindly oblige as guided above,



**Mutumboi Mundia**

**DIRECTOR MARKET SUPERVISION AND DEVELOPMENT**

Cc: Chief Executive Officer  
Director Enforcement and Legal Services