



SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

Directorate of Market Supervision and Development

CIRCULAR No: 3/2019/DMSD

TO : ALL SEC LICENSEES
SUBJECT : COMPLIANCE WITH SECTION 182(2) OF THE SECURITIES ACT NO.41 - PROFESSIONAL INDEMNITY INSURANCE
DATE : 25TH APRIL, 2019

Reference is made to the 2017 Capital Markets Operators Workshop held from 26th to 27th January 2017; the newspaper notifications published in the Zambia Daily Mail of 18th and 19th January 2017 and subsequent letters sent to licensees on the salient features of the Securities Act No. 41 of 2016 (“the Act”).

You may recall that one of the requirements that was included in the aforementioned and therefore brought to the attention of licensees was Section 182(2) of the Act which is restated below for ease of reference.

“A licensed person shall, in addition to contributing towards the Compensation Fund, take out insurance against the liabilities that may arise from the negligence or default of the licensed person, and employees of the licensed person.”.

In view of the above, the Securities and Exchange Commission (the “Commission”) hereby requests concerned licensees to confirm whether they have complied with the above requirement and, if not, ensure compliance forthwith. Licensees are further requested to submit, to the Commission, copies of insurance policies taken out in this respect on or before **Friday 17th May 2019**.

For further enquiries please contact the Commission on +260 211 227012/ 222368/ 222369 or info@seczambia.org.zm. You may also contact the Market Supervision Manager assigned to your institution as relationship manager: Mr. Abraham Alutuli (aalutuli@seczambia.org.zm) or Mr. Nonde Sichilima (nsichilima@seczambia.org.zm).

Dated this *25th* day of *April* 2019


Mutumboi Mundia (Ms)
DIRECTOR MARKET SUPERVISION AND DEVELOPMENT

cc: Chief Executive Officer - SEC ✓
Director Enforcement and Legal Services - SEC