

**STATUTORY INSTRUMENT NO.....OF 2020**

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**The Securities Act  
(Act No. 41 of 2016)**

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**The Securities (Registration of Securities) Regulations, 2020**

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**IN EXERCISE** of the powers contained in Part VIII and section 221 of the Securities Act 2016, the following Regulations are hereby made:

**PART I  
PRELIMINARY PROVISIONS**

1. These Regulations may be cited as the  
Title Securities (Registration of Securities) Regulations, 2019
2. (1) Under these Regulations, unless the  
Interpretation context otherwise requires-  
“articles” means articles of association;  
“Chief Executive” means a person who either alone or  
together with one or more persons is or will be  
responsible under the immediate authority of the  
board of directors for the conduct of the business of  
a registered securities issuer;  
“complete registration statement” means an application  
for registration of securities consisting of the  
applicable form duly completed, and accompanied  
by the relevant fee and other documents or  
information specified in these Regulations and rules  
issued by the Commission, and sworn to by the  
promoters or applicant before a commissioner for  
oaths or notary public;

“convertible debt securities” means debt securities convertible into or exchangeable for equity securities or other property;

“convertible equity securities” means equity securities convertible into or exchangeable for shares;

“debt securities” means debt created or acknowledged in an instrument which is issued or proposed to be issued by a company, whether secured or unsecured, including debentures, debenture stock, loan stock, bonds, certificates of deposit, commercial paper, notes and convertible debt securities;

“director” includes any person who occupies the position of a director in an issuer, by whatever name called;

“equity securities” means shares, convertible equity securities and options, warrants or similar rights to subscribe or purchase shares or convertible equity securities;

“issuer” means a person or other entity that issues, has issued or proposes to issue, securities to the public in accordance with the Act;

“major subsidiary” means a subsidiary representing fifteen per cent or more of the consolidated net tangible assets, total revenues, total expenses, total liabilities or pre-tax trading profits of the issuer and its subsidiaries, if any, and any other criteria the Commission may determine;

“new applicant” means, in the case of equity securities, an applicant for registration none of whose equity securities are already registered and, in the case of debt securities, means an applicant for registration none of whose equity or debt securities are already registered;

“profit forecast” means any numerical or verbal indication of the level of profit for a future accounting period, or for a past accounting period for which results have not been announced to the public, including forms of words which may be used in conjunction with published data to arrive at an approximate figure for future profit by an arithmetical process;

“public” means one or more persons to whom securities are offered and who are not in a position to have access to the kind of information which registration under the Securities Act would ordinarily disclose;

“registered”, in relation to securities, means registered under Part VIII of the Act;

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“reporting accountant” means an accountant, having a practicing certificate issued by the Zambia Institute of Chartered Accountants, who is responsible for the preparation of the accountants' report required to be included in the prospectus;

“securities” has the same meaning as in section 2 of the Act;

“shelf-registration” means the registration of securities, by an issuer, which are not immediately offered or available to the public;

“supplementary shelf prospectus” means a prospectus issued in accordance with regulation 12;

and

“Zambia Institute of Chartered Accountants” means the institute established under the repealed Accountants Act, 1982 and continued in existence under the Accountants Act, 2008.

(2) For the purposes of these Regulations, a company is a subsidiary of another company if-

(a) that other company-

(i) controls the composition of the board of directors of the first-mentioned company;

(ii) controls more than half of the voting power of the first-mentioned company; or

(iii) holds more than half of the issued share capital of the first-mentioned company (excluding any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital); or

(b) the first-mentioned company is a subsidiary of any company which is that other company's subsidiary.

(3) In these Regulations, references to the certification of a document are references to its certification as a true copy or extract, as the case may be, by a commissioner for oaths or notary public.

(4) A word or term defined in the Act and used in these Regulations but not defined in these Regulations shall have the same meaning assigned to the word or term in the Act.

Application

3. These Regulations apply to all securities that are registered, required to be registered or proposed to be registered in accordance with Part VIII of the Act.

## **PART II**

### **REGISTRATION OF SECURITIES AND SHELF REGISTRATION**

Application for  
registration of  
securities

4. (1) For purposes of section 75 of the Act, an issuer shall apply for registration of securities by filing, with the Commission, a registration statement in Form SEC/RS/1 set out in the First Schedule and paying a prescribed fee.

(2) The registration statement filed in accordance with sub-regulation (1), shall be accompanied by the following, as may be appropriate for each kind of security:

- (a) a brief history, of the issuer from inception to the date of application, giving a description of the business of the issuer and its subsidiaries, where applicable, including principal goods and services, main markets and main sources of supply, and volume of output for the preceding three financial years or such shorter period as may be accepted by the Commission and for the current financial year to the latest date available, either in physical terms or at constant prices;
- (b) a certified copy of -
  - (i) a general meeting resolution, authorising the issue;
  - (ii) a board of directors' resolution, authorising the issue and allotment of such securities, the making of the application for registration, and approving and issuing of the prospectus, where it is required;
  - (iii) any resolution made at a general meeting or a meeting of board of directors, authorising any alterations in the share capital of the company, or any mergers or amalgamations, within the period of five years preceding the date of filing the registration statement;

- (c) a certified copy of articles of association, including any amendments;
- (d) a certified copy of the issuer's certificate of incorporation;
- (e) audited accounts for each of the three completed years of the issuer and its subsidiaries, if any, immediately preceding the filing of the registration statement, or such shorter period as the Commission may determine;
- (f) a summary of earnings, on a consolidated basis if the issuer has subsidiaries, for the last three financial years or such shorter period as may be accepted by the Commission, showing sales, earnings before charges for depreciation, interest and income tax, the amount of each of those charges, net income before extraordinary items, extraordinary items, net income and earnings per share;
- (g) a declaration, made by the directors of the issuer, where the prospectus is required, stating, to the best of the issuer's knowledge, information and belief that all-
  - (i) information required to be included in the prospectus has been included; and
  - (ii) facts bearing on the issuer's application for registration which, in the issuer's opinion, should be disclosed to the Commission has been disclosed;
- (h) a certified copy of a trust deed or other documents securing or constituting the debt, in the case of debt securities;
- (i) a certified copy of an underwriting agreement and sub-underwriting agreement, where applicable;
- (j) information indicating the type and general character of the securities for which registration is being made, including-

- (i) the nominal value, the rate of dividends, if fixed, and whether cumulative or noncumulative;
- (ii) a brief description of the preference shares if any;
- (iii) in the case of debt securities, the rate of interest, the date of maturity or if the issue matures severally, a brief indication of the serial maturities;
- (iv) if the payment of principal or interest is contingent, an appropriate indication of such contingency, a brief indication of the priority of the issue and if convertible, a statement to that effect; and
- (v) the market value or net asset value of the securities;
- (k) the organisational and financial structure and nature of business of the company, including any risk factors;
- (l) the bonus and profit-sharing arrangements;
- (m) the management and service contracts;
- (n) particulars of any litigation or claims of material importance pending or threatened against the issuer or any member of a group to which the issuer belongs, or an appropriate negative statement;
- (o) bridging loan agreement and schedule of other material contracts where applicable;
- (p) evidence of property ownership or transfer of the issuer or its subsidiaries, if any, including-
  - (i) location;
  - (ii) land area and land use; and
  - (iii) aggregate floor area of buildings;
- (q) a certified copy of a technical agreement, if any, signed between the issuer and a technical partner or advisers;
- (r) a statement, giving the number of consecutive years in which the issuer

has paid a dividend, the amount paid per share, and the aggregate amount paid by the issuer and its subsidiaries, where applicable, for each of the three preceding years or such shorter period as may be accepted by the Commission, including whether dividends have been paid on a quarterly, semi-annual or annual basis;

- (s) a statement of the record date, payment date and the date of declaration with respect to each dividend paid during the past three years;
- (t) a statement as to the total number of persons regularly employed and, if subject to seasonal fluctuations, the maximum and minimum numbers employed during the preceding twelve months;
- (u) detailed particulars of every director or proposed director, including any directorship held by any in the last five years preceding the application for registration of securities and any criminal conviction or any petition of insolvency filed against any of them or a partnership to which they were partners or a body corporate to which they were a director;
- (v) detailed particulars of management staff of the issuer or its subsidiaries, if any, or any person who performs an important administrative, management or supervisory function and the nature of any family relationship between them;
- (w) rating report by a registered rating agency, where applicable; and
- (x) any other document as the Commission may require.

(5) The Commission shall, upon receipt of a complete registration statement referred to in sub-regulation (1), consider the application and if it rejects the application, give the issuer the reasons for the rejection.



Application for shelf registration of securities	<p>5. Regulation 4 shall apply, with the necessary modifications, to an issuer applying for shelf registration of securities.</p>
Eligibility for issuance of shelf registration	<p>6. (1) Unless otherwise indicated by the Commission and subject to sub-regulation (2), the securities of an issuer are eligible for shelf registration provided that there is full disclosure of-</p> <p style="margin-left: 40px;">(a) any prosecution commenced against either the issuer or any of its subsidiaries in respect of any breach of any securities or banking laws; or</p> <p style="margin-left: 40px;">(b) any action taken against the issuer by a securities exchange in respect of any breach of the listing requirements of the exchange.</p> <p>(2) The securities of an issuer shall not be eligible for shelf registration where the issuer or any of its subsidiaries has breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies, twelve months immediately preceding the date of application to the Commission for shelf registration of the securities.</p>
Registration of securities	<p>7. (1) An application for registration of securities shall not be considered by the Commission unless the applicant complies with all the requirements of the Act, these Regulations and rules issued by the Commission.</p> <p>(2) The Commission shall, if it is satisfied that an issuer meets the requirements of the Act, these Regulations and the rules issued by the Commission, within seven days after considering the application, register the securities in Form SEC/RS/2 set out in the First Schedule, on payment of the prescribed fee.</p> <p>(3) The registration of securities made, in accordance with sub-regulation (2), shall be subject to such terms and conditions as the Commission may impose.</p>
Variation of registration	<p>8. (1) The Commission may vary the terms and conditions of registration of securities if the circumstances relating to the terms and conditions of the initial registration have changed or the capital market conditions so dictate.</p>

(2) Where the Commission varies the terms and conditions of registration of securities, it shall, before effecting the variation, give notice to the issuer of its intention to vary the terms and conditions of the registration of securities and the reasons for the intended variation in Form SEC/RS/ 3 set out in the First Schedule.

Validity of registration of securities

9. (1) Where securities registered in accordance with regulation 7, are not listed within a period of three years from the date of registration, the registration of such securities shall lapse.

(2) The validity of the registration of securities of an issuer which were registered prior to the coming into force of these Regulations shall, unless the issuer proceeds to list on a securities exchange, be three years from the effective date of these Regulations.

(3) Where the registration of securities has lapsed, in accordance with sub-regulations (1) or (2) and the issuer wishes to offer its securities to the public, the issuer shall re-apply for the registration of securities in Form SEC/RS 1 set out in the First Schedule, on payment of a prescribed fee.

(4) This Regulation shall not apply to an issuer whose registration was required under an Act, Regulations, Rules, agreement or by a policy made by Government.

De-registration

10. (1) Subject to Regulation 9, the Commission shall de-register securities registered in accordance with regulation 7, if the issuer -

- (a) does not offer the registered securities, to the public, three years after the date of registration of such securities.
- (b) obtained the registration of securities by fraud or deliberate or negligent submission of false information or statements;
- (c) fails to operate in the public interest;
- (d) fails to comply with the Act, these Regulations or rules issued by the Commission; or
- (e) fails to comply with any other relevant written law and its registration is terminated in accordance with that law.

(2) Subject to Regulation 9, an issuer may request the Commission to deregister securities registered pursuant to Regulation 7.

(3) The Commission may, upon receipt of a request for deregistration made under sub-Regulation (2), deregister the securities on such terms and conditions as it may impose in the interest of investor protection.

(4) The Commission shall, before de-registering securities, give notice to the issuer of the Commission's intention and request the issuer to show cause, within a specified period, why the securities should not be de-registered.

(5) A notice of intention to de-register securities shall be in writing and shall specify remedial measures to be taken by the issuer, within a specified period, to rectify the non-compliance with the Act, these Regulations or rules issued by the Commission.

(6) The Commission shall de-register, on such terms and conditions as it may impose, if the issuer fails, within the period specified in the notice, to show cause, to the satisfaction of the Commission, why the securities should not be de-registered.

(7) The Commission shall, where it has de-registered the securities, publish such fact in the Gazette and a newspaper of general circulation in Zambia or on the Commission's website.

### **PART III PROSPECTUS**

Information to be contained in prospectus

11. Where a prospectus is required to accompany a registration statement, the prospectus shall contain information with regard to equity securities, debt securities, and other securities as specified in Parts A, B and C of the Second Schedule.

Prospectus and supplementary prospectus

12. (1) An issuer applying for shelf registration of securities shall, where a prospectus is required, submit with the Commission, together with a complete registration statement, a prospectus which shall contain information specified in the Third Schedule.

(2) A prospectus referred to in sub-regulation (1), shall be valid for a period not exceeding one year from the date of its issue, except that the issuer shall, update it by issuing a supplementary prospectus.

False or misleading prospectus

13. An issuer who issues, for purposes of Part VIII of the Act, a prospectus with false or misleading information in a material particular, commits an offence and each of the directors of the issuer shall be liable, on conviction, to a fine not exceeding five hundred thousand penalty units, or imprisonment for a term not exceeding five years, or to both.

#### **PART IV**

### **CONTINUING OBLIGATIONS OF ISSUERS OF REGISTERED SECURITIES**

Power of Commission to impose obligations

14. (1) The Commission may, where it considers it necessary to do so, impose additional requirements on the issuer of registered securities.

(2) The Commission shall, before imposing additional requirements on the issuer, request the issuer to show cause, within a specified period, why such additional requirements should not be imposed.

(3) Where the issuer shows cause, to the satisfaction of the Commission, why additional requirements should not be imposed, the Commission shall not impose additional requirements on the issuer.

Disclosure by issuer

15. An issuer shall disclose to the Commission, members of the issuer, other holders of its registered securities and the public, as soon as reasonably practicable, any information relating to the issuer and its subsidiaries, if any, that –

- (a) is necessary to enable the Commission, members of the issuer, holders of its registered securities and the public to appraise the financial position of the issuer and its subsidiaries, if any;
- (b) is necessary to avoid the establishment of a false market in its securities; and
- (c) might reasonably be expected materially to affect market activity in the price of its securities.

Closure of register of members

16. An issuer shall, where it closes the register of members, publish by placing a notice in a newspaper of general circulation or in any other media approved by the Commission, of the closure of its register of members, not less than fourteen days before such closure.

Notice of  
general  
meeting

17. An issuer shall publish, by placing a notice in a newspaper of general circulation or in any other media approved by the Commission, the holding of a general meeting, not less than fourteen days before such meeting.

Distribution of  
directors' report  
and annual  
accounts

18. (1) An issuer shall send, to every member of the issuer and the Commission, an electronic copy of the directors' report, and audited annual accounts prepared in accordance with international accounting standards as recognised by the Zambia Institute of Chartered Accountants, not less than twenty-one days before the date of the issuer's annual general meeting.

(2) A hard copy of the directors' report and audited annual accounts referred to in regulation 14, shall be available at the issuers registered office for inspection by every member of the issuer and the Commission.

Information to  
accompany  
directors' report  
and annual  
accounts

19. An issuer shall include in its directors' report-

- (a) a description of the principal activities of the issuer and its subsidiaries, if any, and, where two or more such activities are described, a statement giving, in respect of each such activity, the turnover;
- (b) a geographical analysis of consolidated turnover; and of its subsidiaries outside Zambia;
- (c) a statement showing –
  - (i) the name of every subsidiary, its principal country of operation, its country of incorporation and its main business; and
  - (ii) particulars of the issued share capital and debt securities of every subsidiary: except that if, in the opinion of the directors, compliance with this paragraph would result in particulars of excessive length being given, compliance shall only be required for subsidiaries carrying on a business whose results materially affect the amount of the profit or loss of the issuer and its

- subsidiaries, if any, or the amount of the assets of the issuer and its subsidiaries, if any;
- (d) a statement for each financial year, showing –
    - (i) the interests of each director and chief executive of the issuer in the equity or debt securities of the issuer or any subsidiary; and
    - (ii) the details of any right to subscribe for equity or debt securities of the issuer granted to any director or chief executive of the issuer, and of the exercise of any such right;
  - (e) the statement required by paragraph (d) must –
    - (i) distinguish between beneficial and non-beneficial interests; and
    - (ii) specify the company in which securities are held, the class to which those securities belong and the number of such securities held;
  - (f) an explanation of the difference, in the event of operating results shown by audited accounts for the period under review being materially different from any published forecast made by the issuer;
  - (g) a statement as at the end of the financial year showing as regards, firstly, bank loans and overdrafts and, secondly, other borrowings of the issuer and its subsidiaries, if any, and the aggregate amounts repayable-
    - (i) on demand or within a period not exceeding one year;
    - (ii) within a period exceeding one year but not exceeding two years;
    - (iii) within a period of more than two years but not exceeding five years;
    - (iv) within a period of more than five years;
  - (h) in respect of the financial year, a statement of the amount of interest

- capitalised by the issuer and its subsidiaries, if any, during the year;
- (i) a statement as to the unexpired period of any service contract, which is not determinable by the employer within one year, without payment of compensation, other than statutory compensation, of any director proposed for election at the forthcoming annual general meeting or, if there are no service contracts, a statement of that fact;
  - (j) summary particulars of any contract of significance-
    - (i) subsisting during or at the end of the financial year in which a director of the issuer is or was materially interested, either directly or indirectly, or, if there has been no such contract, a statement of that fact;
    - (ii) between the issuer, or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries; or
    - (iii) for the provision of services to the issuer and its subsidiaries, if any, by a controlling shareholder or any of its subsidiaries;
  - (k) summary particulars of any arrangement under which –
    - (i) a director has waived or agreed to waive any emoluments; or
    - (ii) a shareholder has waived or agreed to waive any dividends; and
  - (l) a summary, in the form of a comparative table, of the results and of the assets and liabilities of the issuer and its subsidiaries, if any, for the last five financial years, with any necessary explanations or adjustments for changes in capital to make the figures fully comparable one year with another.

Filing of  
accounting  
records, etc

20. An issuer of securities shall file with the Commission, on an annual basis, its accounting records, financial statements and such other returns.

Additional  
information if  
accounts not  
true and fair  
view

21. An issuer shall, if audited financial statements do not give a true and fair view of the state of affairs and profit and loss of the issuer and its subsidiaries, if any, provide additional information.

Interim  
report, etc

22. (1) An issuer shall prepare in respect of the first six months of each financial year of the issuer, an interim report containing all the information required by sub-regulation (2), and not later than three months after the end of that period of six months, the issuer shall-

(a) publish, by placing a notice in a newspaper of general circulation or in any other media approved by the Commission, the information required by sub-regulation (2), to be contained in the interim report, the day after approval by or on behalf of the board;

(b) submit to the Commission, immediately on publication -

(i) the name of the newspaper or any media approved by the Commission, and the date of the publication; and

(ii) an electronic or hard copy of the annual report on audited accounts; and

(c) as soon as reasonably practicable after such publication, send to every member an electronic or hard copy of the interim report.

(2) Subject to the framework prescribed by the Zambia Institute of Chartered Accountants, each interim report referred to in sub-regulation (1), shall contain the following information stated in respect of the issuer and its subsidiaries, if any:

(a) turnover;

(b) profit or loss before taxation and extraordinary items, including the share of the profit or loss of associated companies with separate disclosure of any items included therein which are exceptional because of size and incidence;



- (c) taxation on profits in each case, indicating basis of computation with separate disclosure of the taxation on share of associated companies' profits;
- (d) profit or loss before taxation;
- (e) profit or loss after taxation;
- (f) profit or loss attributable to shareholders;
- (g) profit or loss attributable to minority interests;
- (h) amount of dividend paid or proposed on each class of share, with particulars of each such class and amounts absorbed thereby or an appropriate negative statement;
- (i) transfers to and from reserves;
- (j) earnings per share calculated on the basis of profits before taxation; and
- (k) comparative figures of the matters specified in paragraphs (a) to (j) inclusive for the corresponding previous period.

(3) An issuer shall, where the accounting information given in an interim report referred to in sub-regulation (1) has not been audited, state this fact in the notice published in accordance with sub-regulation (1) (a).

(4) If the accounting information contained in an interim report referred to in sub-regulation (1) has been audited by the issuer's auditor, the issuer shall state this fact, including the auditor's qualifications and the audited report, in the interim report.

(5) A preliminary announcement of results for the full financial year of the issuer shall contain the information stated in sub-regulation (2).

Annual report  
on audited  
accounts

23. (1) An issuer shall prepare, not later than three months after the end of its financial year, an annual report on audited accounts containing all the information required by sub-regulation (2), and shall-

(a) publish, by placing a notice in a newspaper of general circulation or in any other media approved by the Commission, the information required by sub-regulation (2);

(b) submit to the Commission, immediately on publication –

- (i) the name of the newspaper or any media approved by the Commission, and the date of the publication; and
- (ii) an electronic or hard copy of the annual report on audited accounts; and

(c) as soon as reasonably practicable after such publication, send to every member an electronic or hard copy of the annual report on audited accounts.

(2) Subject to the framework prescribed by the Zambia Institute of Chartered Accountants, an annual report on audited accounts referred to in sub-regulation (1), shall contain the following information stated in respect of the issuer and its subsidiaries, if any:

- (a) turnover;
- (b) profit or loss before taxation and extraordinary items, including the share of the profit or loss of associated companies with separate disclosure of any items included therein which are exceptional because of size and incidence;
- (c) taxation on profits in each case, indicating basis of computation with separate disclosure of the taxation on share of associated companies' profits;
- (d) profit or loss before taxation;
- (e) profit or loss after taxation;
- (f) profit or loss attributable to shareholders;
- (g) profit or loss attributable to minority interests;
- (h) amount of dividend paid or proposed on each class of share, with particulars of each such class and amounts absorbed thereby or an appropriate negative statement;
- (i) transfers to and from reserves;
- (j) earnings per share calculated on the basis of profits before net of taxation; and
- (k) comparative figures of the matters specified in paragraphs (a) to (j) inclusive for the corresponding previous period.

Obligation to  
notify  
Commission

24. An issuer shall notify the Commission, not less than three clear business days before a meeting, of the date fixed for a board meeting at which the declaration, recommendation or payment of a dividend is expected to be decided or at which an announcement of the profit or loss for any year, half-year or any other period is to be approved for publication.

Commission  
to be notified  
of board's  
decisions

25. An issuer shall notify the Commission, in writing, not later than three days after approval of the board of-

- (a) a decision to declare, recommend or pay a dividend or to make any other distribution on its listed securities and the rate and amount;
- (b) a decision not to declare, recommend or pay a dividend which would otherwise have been expected to have been declared, recommended or paid;
- (c) any preliminary announcement of profit or loss for any year, half-year or any other period;
- (d) any proposed change in the capital structure, including any redemption of its listed securities;
- (e) a decision to change the general character or nature of the business of the issuer or issuer and its subsidiaries, if any; or
- (f) a decision relating to price sensitive information.

Commission to  
be notified of  
proposed  
changes to  
articles, etc

26. An issuer shall notify the Commission, in writing, immediately after a decision made by the issuer in regard to a -

- (a) proposed alteration of the issuer's articles;
- (b) change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;
- (c) change in its secretary, auditors or registered address; or

- (d) change in the information submitted to the Commission when registering the securities.

Basis of allotment of securities

27. An issuer shall notify the Commission, in writing, of the basis of allotment of securities offered to the public for subscription or sale or an open offer and of the results of any rights issue and, if applicable, of the basis of an acceptance of excess applications, not later than the morning of the business day next after the allotment letters or other relevant documents of title are posted.

Winding-up and liquidation

28. An issuer shall inform the Commission, in writing, on the happening of any of the following events as soon as the same shall come to the attention of the issuer-

- (a) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator in respect of the issuer, its holding company or a major subsidiary;
- (b) the passing of a resolution by the issuer, its holding company or a major subsidiary that it be wound-up by way of a members' or creditors' voluntary winding-up in accordance with the Corporate Insolvency Act;
- (c) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets which in aggregate value represents an amount in excess of fifteen per cent of the consolidated net tangible assets of the issuer and its subsidiaries, if any; or
- (d) the making of a judgment, declaration or order by a court or tribunal of competent jurisdiction whether on appeal or at first instance, which may adversely affect the issuer's enjoyment of any portion of its assets which in aggregate value represents an amount in excess of fifteen per cent of the consolidated net tangible assets of the issuer and its subsidiaries, if any.

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Pre-emptive  
rights

29. (1) Except in the circumstances under sub-regulation (3), the directors of the issuer shall obtain the consent of shareholders in a general meeting, before –

- (a) allotting, issuing or granting –
  - (i) shares;
  - (ii) securities convertible into shares; and
  - (iii) options, warrants or similar rights to subscribe for shares or for such convertible securities; or
- (b) a major subsidiary of the issuer makes any such allotment, issue or grant so as materially to dilute the percentage equity interest of the issuer and its shareholders in such subsidiary.

(2) Notwithstanding sub-regulation (3) (b), the directors of the issuer shall obtain consent of the shareholders in a general meeting, before allotting any voting shares, if such allotment would effectively alter the control of the issuer.

(3) Consent referred to in sub-regulation (1), shall not be required –

- (a) for the allotment, issue or grant of securities following an offer made to the shareholders of the issuer, and, where appropriate, to holders of other equity securities of the issuer entitled to be offered, in proportion to their existing holdings, except for fractional entitlements; or
- (b) if the existing shareholders of the issuer have, by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of shares allotted or agreed to be allotted

must not exceed ten per cent of the existing issued share capital of the issuer.

(4) A general mandate given in accordance with sub-regulation (3) (b) shall only continue in force until-

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (b) revoked or varied by ordinary resolution of the shareholders in a general meeting, whichever occurs first.

Approval of documents

30. An issuer shall, in addition to the specific requirements set out in these Regulations, submit copies of drafts of the following documents to the Commission, for approval, before they are issued:

- (a) announcements or advertisements relating to the issue of new or further securities, other than pursuant to a capitalisation, issue or a scrip dividend scheme or any announcements or advertisements the subject matter of which may involve a change in or relate to or affect arrangements regarding trading in its registered securities, including a suspension of dealings;
- (b) documents issued in connection with takeovers, mergers or offers;
- (c) circulars; or
- (d) proposed amendments to its articles.

Directors' service contracts

31. An issuer shall ensure that a service contract of ten years or a longer duration shall not be granted by the issuer or any of its subsidiaries to a director or proposed director of the issuer or to a director or proposed director of any subsidiary without the prior approval of the shareholders of the issuer in a general meeting at which such director did not vote on the matter.

Subsequent registration of securities

32. An issuer shall apply for the registration of further securities which are of the same class as

securities already registered, before their issue, and shall not issue such securities unless the issuer has applied for the registration of the securities by the Commission and such registration has been approved.

Proxy forms

33. An issuer shall send, together with the notice of a meeting of holders of registered securities, who are entitled to vote at such meeting, proxy forms with the provision for two-way voting on all resolutions intended to be proposed at the meeting.

Equality of treatment

34. An issuer shall ensure equality of treatment for all holders of securities of the same class who are in the same position.

Response to inquiries

35. An issuer shall respond, within such period as the Commission may specify, to any queries made of the issuer by the Commission concerning unusual movements in the price or trading volume of the issuer's registered securities or any other matters, by submitting such information, as is available, to the issuer or, by issuing a statement in a newspaper of general circulation or in any other media approved by the Commission.

Imposition of additional requirements

36. The Commission may request the publication of further information by issue, and may impose additional requirements on the issuer, where it considers it necessary to do so, but shall allow the issuer to be heard before imposing additional requirements.

## **PART V GENERAL PROVISIONS**

Register of issuers of securities

37. (1) The Commission shall establish and maintain a register of issuers of securities in Form SEC/RS/5 set out in the First Schedule.

(2) The copy of the register of issuers of securities shall, on payment of the prescribed fee, be open for inspection by the public during the Commission's prescribed operating hours.

(3) A person may, on payment of the prescribed fee, make extracts from the register of issuers of securities.

(4) The register of issuers of securities may be established and maintained in non-electronic or electronic form or partly in electronic form.

(5) The register of issuers of securities shall be kept at the office of the Commission.

General  
penalty

38. A person who contravenes a provision of these Regulations shall be liable, upon conviction, to a fine not exceeding one hundred thousand penalty units or to a term of imprisonment not exceeding one year, or to both and to a further sum of not more than ten thousand penalty units for every day the default continues.

Appeal

39. (1) An issuer who is dissatisfied with a decision of the Commission may appeal to the Tribunal, within thirty days of the decision, in accordance with the Act.

(2) The Commission shall notify issuers of securities of their right to appeal against its decision when transmitting its decision to the issuers of securities.



FIRST SCHEDULE

**PRESCRIBED FORMS**

(Regulations 4, 5, 7, 8, 9 and 37)

Form SEC/RS/1

(Regulation 4)

(To be completed in triplicate)



**The Securities Act, 2016**

(Act No. 41 of 2016)

**The Securities (Registration of Securities) Regulations, 2020**

REGISTRATION STATEMENT

<b>Please complete in block letters</b>	<i>Shaded fields for official use only</i>	Application No.	
		Date and Time	
<i>Information Provided</i>	<i>Information Required</i>		✓
<b>A. PARTICULARS OF ISSUER</b>			
1	Name of issuer		
2	Type of entity and date of incorporation		
3	Business Premises		
	a) Physical address		
	b) Plot No:		
	c) Street:		
	d) Postal address		
	e) Telephone No:		
	f) Fax No:		
	g) Email address		
	h) Town		
<b>B. CAPITALISATION</b>			
(a)	Designation or title of each class of security		
(b)	Number of securities authorised		
(c)	Number of securities issued		
(d)	par value		
(e)	amount paid up		
(f)	names of directors of the issuer and their respective shareholdings		
(g)	shareholders/beneficial shareholders of the issuer and their respective shareholdings		

<b>C. PARTICULARS OF SUBSIDIARIES</b>				
Name of issuer				
Type of entity and date of incorporation				
Business Premises				
a) Physical address				
b) Plot No:				
c) Street:				
d) Postal address				
e) Telephone No:				
f) Fax No.				
g) Email address				
h) Town				
Nature of business and its relationship to the operations of the entire enterprise				
<b>SUBSIDIARY'S CAPITAL SHARE ISSUES</b>				
<b>class</b>	<b>Per value</b>	<b>Amount authorised</b>	<b>Amount issued</b>	<b>Amount owed by holding company</b>

**Declaration:** I declare that all the information I have stated in this application is correct and truthful to the best of my knowledge and belief. I understand that submission of false information shall render the application void and that if approved, it shall be revoked and the registration cancelled.

.....  
Name

.....  
Designation

.....  
Name

.....  
Designation

**FOR OFFICIAL USE ONLY**

Date of submission:.....

Application Number:.....

Payment Receipt Number:.....

Date Application Accepted:.....

Date Application Rejected (Notify self regulatory organisation):.....



**The Securities Act, 2016**  
(Act No. 41 of 2016)  
**The Securities (Registration of Securities) Regulations, 2020**  
REGISTRATION OF SECURITIES

Registration No.:.....  
Date of Registration.....

This is to certify that.....  
.....  
of (Physical Address) .....  
.....  
.....has registered the following securities with  
the Commission:

Type of Securities Registered	Number of Securities Registered

**\* Note that this registration shall lapse if the registered securities are not offered to the public within three years from the date of registration.**

.....  
Chairperson of Commission



(To be completed in triplicate)



**The Securities Act, 2016**  
(Act No. 41 of 2016)

**The Securities (Registration of Securities) Regulations, 2020**  
NOTICE OF VARIATION OF REGISTRATION OF SECURITIES

(1) Here  
insert the  
full name  
of the  
issuer

To (1) .....  
.....

(2) Here  
insert the  
Registration.

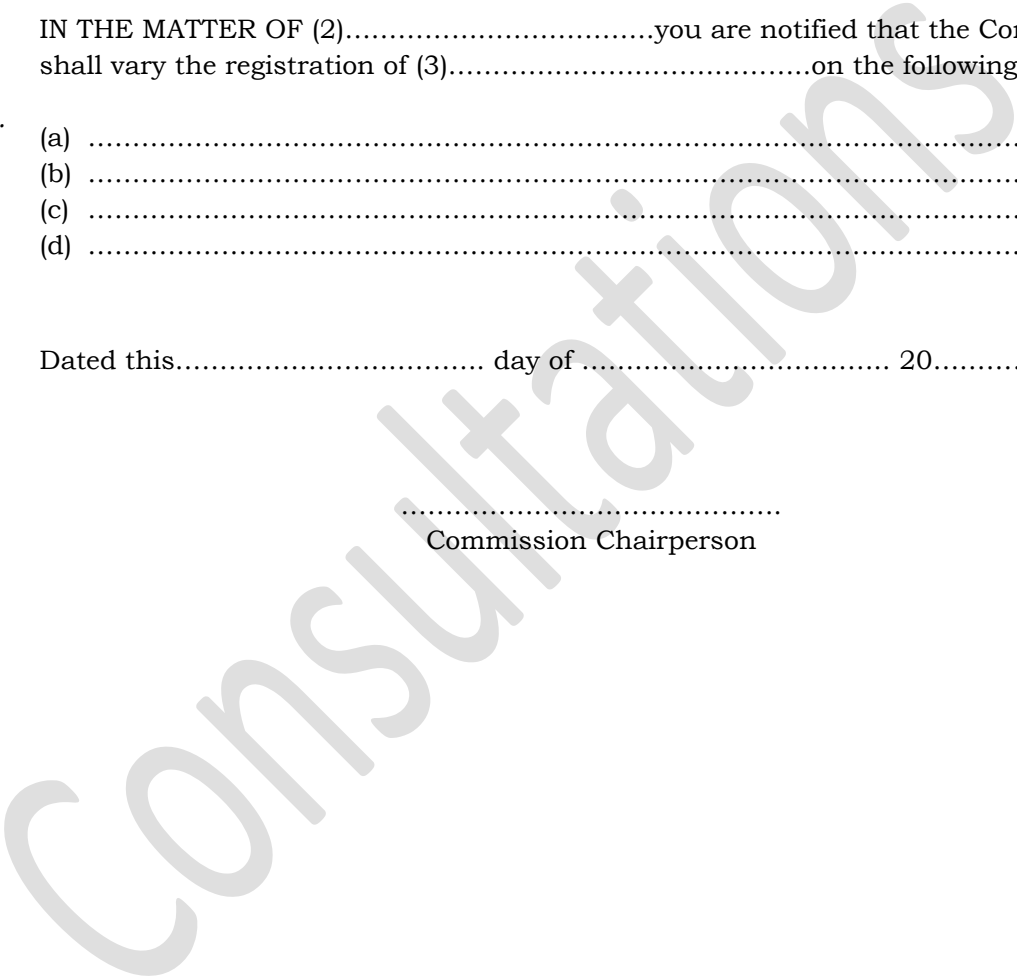
IN THE MATTER OF (2).....you are notified that the Commission shall vary the registration of (3).....on the following grounds:

(3) Here  
insert the  
class/type  
of the  
registered

- (a) .....
- (b) .....
- (c) .....
- (d) .....

Dated this..... day of ..... 20.....

.....  
Commission Chairperson



(To be completed in triplicate)

**The Securities Act, 2016**  
(Act No. 41 of 2016)  
**The Securities (Registration of Securities) Regulations, 2020**

APPLICATION FOR REVALIDATION OF REGISTERED SECURITIES

<b>Please complete in block letters</b>	<i>Shaded fields for official use only</i>	Application No.	
		Date and Time	
<i>Information Provided</i>	<i>Information Required</i>		✓
<b>PARTICULARS OF ISSUER</b>			
1	Name		
2	Type of entity		
3	Business Premises		
	i) Physical address		
	j) Plot No:		
	k) Street:		
	l) Postal address		
	m) Telephone No:		
	n) Fax No:		
	o) Email address		
<b>Date of registration of securities to be revalidated</b>		<b>Type of securities</b>	<b>Reason for lapse of registration</b>

**Declaration:** I declare that all the information I have stated in this application is correct and truthful to the best of my knowledge and belief. I understand that submission of false information shall render the application void and that if approved, it shall be revoked and the registration cancelled.

.....  
Name

.....  
Designation

.....  
Name

.....  
Designation

**FOR OFFICIAL USE ONLY**

Date of submission:.....  
Application Number:.....  
Payment Receipt Number:.....  
Date Application Accepted:.....  
Date Application Rejected (Notify issuer):.....

Consultations

Form SEC/RS/5

(Regulation 37)

(To be completed in triplicate)

COMMISSION  
LOGO

**The Securities Act, 2016**

(Act No. 41 of 2016)

**The Securities (Registration of Securities) Regulations, 2020**

REGISTER OF ISSUERS OF SECURITIES

No	Name of registered Issuer	Registration Number	Date of registration	Physical address of Business	Types of securities registered	Number of securities
1.						
2.						
3.						
4.						
5.						
6.						

Consultations

SECOND SCHEDULE

*(Regulation 11)*

**INFORMATION TO BE CONTAINED IN PROSPECTUS**

**PART A**

**EQUITY SECURITIES**

General information about the Issuer, its

1. The full name and address of the registered office of the issuer.

(2) A statement as follows-

*"The directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading."*

(3) The names and addresses of the issuer's principal bankers, sponsor, authorised representative, stockbroker, legal practitioners and registrars and of the legal practitioners to the issue.

(4) The name, address and professional qualifications of the issuer's auditors.

(5) The date of incorporation.

(6) The provisions, or a sufficient summary of the provisions, of the articles with regard to –

(a) any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;

(b) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the directors;

(c) borrowing powers exercisable by the directors and how such borrowing powers can be varied;

(d) retirement or non-retirement of directors under an age limit;

(e) directors' qualification shares;

(f) changes in capital;

(g) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the time limit operates; and

(h) arrangements for transfer of the securities and (where permitted) any restrictions on their free transferability.

(7) Where the prospectus includes a statement purporting to be made by an expert, a statement –

(a) specifying the qualifications of such expert and whether such expert has any shareholding in the issuer or any



group to which the issuer belongs or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the issuer or any such member and, if so, a full description thereof;

- (b) that the expert has given and has not withdrawn their written consent, prior to the issue of the prospectus, to the issue of the prospectus with the expert's statement included in the form and context in which it is in fact included; and
- (c) of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the prospectus.

Statement  
that  
application  
made

2. A statement that application has been made to the Commission for registration of the securities.

Information  
about the  
securities for  
which  
registration  
sought

3. (1) The nature and amount of the issue including the number of securities which have been or will be created and issued and a full description of, including a summary of the terms attaching to, the securities for which registration is sought.

(2) The following information, so far is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for registration is made –

- (a) the total amount of the issue and the number of securities offered, where applicable, by category;
- (b) the issue price or offer price of each security, stating the nominal value of each security;
- (c) the methods of payment of the issue or offer price, particularly as regards the paying-up of securities which are not fully paid;
- (d) the procedure for the exercise of any right of pre-emption and the transferability of subscription rights;

- (e) the period during which the issue or offer of securities will remain open after issue of the prospectus, the date and time of opening of the subscription list, and the names of the receiving bankers;
- (f) the methods of and the time limits for delivery of the securities;
- (g) the names, addresses and description of the persons underwriting the issue for the issuer; and
- (h) in the case of an offer for sale of securities, the names, addresses and descriptions of the vendor(s) of the securities or, if there are more than ten vendors, such details of the ten principal vendors and a statement of the number of other vendors and particulars of any beneficial interest possessed by any director of the issuer in any securities so offered for sale.

Profit cover

4. Where registration is sought for securities with a fixed income, particulars of the profits cover for payments in respect of bonds, preference shares or other fixed income securities.

Net tangible assets

5. A statement of the net tangible asset backing for each class of security for which registration is sought, after making allowance for any new securities to be issued, as detailed in the prospectus.

Information about the issuer's capital

6. (1) The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.

(2) The amount of any outstanding convertible debt securities and particulars of the conditions governing, and the procedures for conversion, exchange or subscription of, such securities.

Voting rights

7. (1) The voting rights of shareholders.

(2) If there is more than one class of share, the rights of each class of share as regards voting, dividend, capital, redemption, and the creation or issue of further shares ranking in priority to or *pari passu* with each class other than the lowest ranking equity.

(3) A summary of the consent necessary for the variation of such rights.

Alterations in capital

8. Particulars of any alterations in the capital of the issuer or any member of a group to which the issuer belongs within the two years immediately preceding the issue of the prospectus, including –

- (a) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
- (b) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrear, or an appropriate negative statement.

Particulars of any capital under option

9. Particulars of any capital of the issuer or any member of a group to which the issuer belongs which is under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, except that where options have been granted or agreed to be granted to all members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

General information about activities of the issuer and its subsidiaries, if any

10. (1) A brief history and the general nature of the business of the issuer and its subsidiaries, if any, and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative

importance of each such activity and details of the main categories of products sold and/or services performed and an indication of any significant new products and/or activities.

(2) If the issuer and its subsidiaries, if any, trade outside Zambia a statement showing a geographical analysis of its trading operations, and where a material proportion of the assets of the issuer and its subsidiaries, if any, are situated outside Zambia, a statement giving the best practicable indication of the amount and situation of such assets and the amount of assets situated in Zambia.

(3) If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.

(4) Particulars of any licences, concessions, trademarks, patents or other intellectual or industrial property rights which are material in relation to the business of the issuer and its subsidiaries, if any, and, where such factors are of fundamental importance to the business or profitability of the issuer and its subsidiaries, if any, a statement regarding the extent to which the issuer and its subsidiaries, if any, are dependent on such factors.

(5) Information concerning the policy of the issuer and its subsidiaries, if any, on the research and development of new products and processes over the past five financial years where significant.

(6) Particulars of any interruptions in the business of the issuer and its subsidiaries, if any, which may have or have had a significant effect on the financial position in the last twelve months.

(7) The number of people employed by the issuer and its subsidiaries, if any, and changes therein in the last financial year, if such changes are material in the context of the group with, if possible, a breakdown of persons employed by main categories of activity.

(8) Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the issuer and its subsidiaries, if any.

Particulars  
of  
subsidiaries,  
etc

11. (1) In regard to every subsidiary company the whole of, or a substantial proportion of, whose capital

is held or intended to be held (either directly or indirectly) by the issuer, or whose profits or assets make or will make a material contribution to the figures in the accountants' report or the next published accounts, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion thereof held or intended to be held.

(2) In regard to the issuer and its subsidiaries, if any, particulars of the location of the principal establishments.

Financial information about the issuer and its subsidiaries, if any

12. (1) A report by the reporting accountants prepared in accordance with international accounting standards as recognised by the Zambia Institute of Chartered Accountants and the Schedule 4 to these Regulations.

(2) A statement of whether or not the accountants' report is qualified by the reporting accountants and if so, such qualifications must be produced in full and the reasons for such qualifications given.

Details of Indebtedness

13. A statement as at the most recent practicable date, which must be stated, of the following on a consolidated basis –

- (a) the total amount of any debt securities of the issuer and its subsidiaries, if any, issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured, or an appropriate negative statement;
- (b) the total amount of all other borrowings or indebtedness in the nature of borrowing of the issuer and its subsidiaries, if any, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and

debt, or an appropriate negative statement;

- (c) all mortgages and charges of the issuer and its subsidiaries, if any, or an appropriate negative statement; and
- (d) the total amount of any contingent liabilities or guarantees of the issuer and its subsidiaries, if any, or an appropriate negative statement.

Turnover,  
etc

14. A statement showing the sales turnover figures or gross trading income of the issuer and its subsidiaries, if any, during the three financial years immediately preceding the issue of the prospectus which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.

Financial  
and  
trading  
prospects

15. (1) General information on the trend of the business of the issuer and its subsidiaries, if any, since the date to which the latest audited accounts of the issuer were made up.

(2) A statement as to the financial and trading prospects of the issuer and its subsidiaries, if any for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.

(3) Where a profit forecast appears in the prospectus the principal assumptions, including commercial assumptions, upon which it is based, must be stated and the accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out.

(4) The reporting accountant, financial adviser or sponsor, in the case of a new applicant, must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful inquiry, and such report must be set out.

Sufficiency  
of working  
capital

16. A statement by the directors that in their opinion the working capital available to the issuer and its subsidiaries, if any, is sufficient or, if not, how it is

proposed to provide the additional working capital thought by the directors to be necessary.

Material adverse changes	17. A statement by the directors of any material adverse change in the financial or trading position of the issuer and its subsidiaries, if any, since the end of the period reported on in the accountants' report, or an appropriate negative statement.
Valuation reports	18. In the case of a property investment or development company, or where property interests account for more than thirty per cent of the net asset value of the issuer, a valuation report on the issuer's interests in land or buildings prepared in accordance with Schedule 5 to these Regulations.
Litigation	19. Particulars of any litigation or claims of material importance pending or threatened against the issuer or any member of a group to which the issuer belongs, or an appropriate negative statement.
Information about the issuer's management	20. The full name, nationality, residential or business address and description (being the director's qualifications or area of expertise or responsibility) of every director or proposed director.
Secretary	21. The full name and professional qualification, if any, of the secretary of the issuer.
Registered Office	22. The address of the registered office and, if different, the head office and transfer office.
Directors' interests	23. (1) A statement showing the interests (distinguishing between beneficial and non-beneficial interests) of each director and chief executive of the issuer in the equity or debt securities of the issuer or any associated corporation. (2) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who is, directly or indirectly, interested in the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the issuer or any member of a group to which the issuer belongs, and the amount of each person's interest in such securities, together with particulars of any options in

respect of such capital, or, if there are no such interests, an appropriate negative statement.

Directors'  
Contracts

24. (1) Particulars of directors' existing or proposed service contracts with the issuer or any member of a group to which the issuer belongs (excluding contracts expiring or determinable by the employer within one year without payment of compensation), or an appropriate negative statement.

(2) The aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by the issuer or any member of a group to which the issuer belongs in respect of the last completed financial year under any description whatsoever.

(3) An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the issuer by the issuer or any member of a group to which the issuer belongs in respect of the current financial year under the arrangements in force at the date of the prospectus.

Directors'  
interests  
in  
contracts

25. Full particulars of any contract or arrangement subsisting at the date of the prospectus in which a director of the issuer is materially interested and which is significant in relation to the business of the issuer and its subsidiaries, if any, or an appropriate negative statement.

Use of  
Proceeds

26. In the case of issue of new shares, an estimate of the net proceeds of the issue and details of the intended use of such proceeds.

Material  
contracts

27. The dates of and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into by the issuer or any member of a group to which the issuer belongs within the two years immediately preceding the issue of the prospectus together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of a group to which the issuer belongs.

Documents  
for  
inspection

28. Details of a reasonable period of time, being not less than fourteen days, during which, and a place in Zambia at which, the following documents, or copies thereof, where applicable may be inspected –



- (a) the articles of incorporation of the issuer;
- (b) each contract disclosed pursuant to paragraphs 24 and 27 or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;
- (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the prospectus;
- (d) a written statement signed by the reporting accountants setting out the adjustment made by them in arriving at the figures shown in their report and giving the reasons therefor;
- (e) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiaries for each of the three financial years immediately preceding the issue of the prospectus.

**PART B  
DEBT SECURITIES**

Debt securities general information about the issuer, its advisers and the prospectus

29. (1) The full name and nationality of the issuer.

(2) A statement as follows:

*"The directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading."*

(3) The names and addresses of the issuer's principal bankers, sponsor, authorised representative, stockbroker, solicitors and registrars and of the solicitors to the issue.

(4) The name, address and professional qualifications of the issuer's auditors.

(5) The date of incorporation.

(6) Where the prospectus includes a statement purporting to be made by an expert, a statement –

- (a) specifying the qualifications of such expert and whether such expert has any shareholding in the issuer or any member of a group to which the issuer belongs or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the issuer or any member of a group to which the issuer belongs and, if so, a full description thereof;
- (b) that the expert has given and has not withdrawn his written consent, prior to the issue of the prospectus, to the issue of the prospectus with the expert's statement included in the form and context in which it is in fact included; and
- (c) of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the prospectus.

Statement that application made

30. A statement that application has been made to the Commission for the registration of the securities.

Estimated expenses of issue

31. The estimated amount of the expenses of the issue and of the application for listing and by whom the same are payable.

Estimated net proceeds of issue

32. An estimate of the net proceeds of the issue and a statement as to how such proceeds are intended to be applied.

Terms and conditions of issue

33. A description of or the text of the terms and conditions of the issue containing –

- (a) the nominal amount of the issue or if this amount is not fixed, a statement to that effect, the nature and number of the debt securities and the denomination(s);
- (b) a summary of the rights conferred upon holders and particulars of the security;
- (c) except in the case of continuous issues, the issue price (or if different, offer price) and redemption prices and the

nominal interests rate and if floating, how it is calculated; if several interest rates are provided for, an indication of the conditions for changes in the rate; if in any issue a discount is allowed or a premium is payable, a statement describing this; if any expenses of the issue are specifically charged to subscribers or purchasers, a statement describing this;

- (d) details of the method of payment of the issue price (or if different, the offer price) including a description of any instalment arrangement;
- (e) details of the arrangements for the amortisation or early redemption of the issue, including procedures to be adopted;
- (f) the names and addresses of the paying agent(s) and any share transfer agent for the debt securities in Zambia;
- (g) details of the arrangements for transfer of the securities (if not in bearer form);
- (h) details of the following time limits:
  - (i) final repayment date and early repayment dates, specifying whether exercisable at the issuer's or the holder's option;
  - (ii) the date from which interest accrues and the interest payments fall due;
  - (iii) prescription period for claims for payment of interest and repayment of principal; and
  - (iv) procedures and time limits for delivery of the debt securities, whether there will be temporary documents of title and, if so, the procedures for the delivery and exchange thereof; and
- (i) except in the case of continuous issues, an indication of yield and the method whereby that yield is calculated should also be described in summary form.

- (a) an indication of the resolutions, authorisation and approvals by virtue of which debt securities have been or will be created or issued and of the number of debt securities which have been or will be created or issued, if predetermined;
- (b) the nature and scope of the guarantees, sureties, and commitments (if any) intended to ensure that the issue will be duly serviced with regard to both the principal of and the interest on the debt securities and an indication of the places where the public may have access to copies of such guarantees, sureties and commitments;
- (c) details of the trustee, fiscal agent or any other representative for the debt securities holders as a whole, the name and function or description and head office of such representative of the debt securities holders, the conditions under which the representative may be replaced together with an indication of where the public may inspect copies of the documents detailing how the representative is to act;
- (d) a description of any subordination of the issue to other debts of the issuer already incurred or to be incurred;
- (e) an indication of any legislation under which the debt securities have been created, the governing law and of the competent courts in the event of litigation;
- (f) details of any restrictions on the free transferability of the debt securities (e.g. provisions requiring transfers to be approved); and
- (g) details of any material guarantees or covenants relating to borrowings.

Alternations  
in capital

35. Particulars of any alterations in the capital of the issuer or any member of a group to which the issuer belongs within the two years immediately preceding the issue of the prospectus, including –

- (a) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and
- (b) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is proposed to be issued, details of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrear, or an appropriate negative statement.

Particulars of any capital under option

36. Particulars of any capital of the issuer or any member of a group to which the issuer belongs which is under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement: except that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Own shares

37. Number, book value and nominal value or, in the absence of a nominal value, the accounting par value of any of its own shares which the issuer or any of its subsidiaries (being a company) has acquired and is holding, if such shares do not appear as a separate item in the balance sheet.

General information about activities of the issuer and its subsidiaries, if any

38. (1) The general nature of the business of the issuer and its subsidiaries, if any, and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity

and details of the main categories of products sold or services performed and an indication of any significant new products or activities.

(2) Where the issuer and its subsidiaries, if any, trade outside Zambia, the issuer shall submit a statement showing a geographical analysis of its trading operations.

(3) Where a material proportion of the assets of the issuer and its subsidiaries, if any, are situated outside Zambia, the issuer shall submit a statement giving the best practicable indication of the amount and situation of such assets and the amount of the assets situated in Zambia.

(4) If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.

(5) Particulars of any licences, concessions, trademarks, patents or other intellectual or industrial property rights which are material in relation to business of the issuer and its subsidiaries, if any and, where such factors are of fundamental importance to the business or profitability of the issuer and its subsidiaries, if any, a statement regarding the extent to which the issuer and its subsidiaries, if any, are dependent on such factors.

(6) Information concerning the policy of the issuer and its subsidiaries, if any, on the research and development of new products and processes over the past three financial years where significant.

(7) Particulars of any interruptions in the business of the issuer and its subsidiaries, if any, which may have or had a significant effect on the financial position in the last twelve months.

(8) The number of people employed by the issuer and its subsidiaries, if any, and changes therein in the last financial year, if such changes are material in the context of the issuer and its subsidiaries, if any, with, if possible, a breakdown of persons employed by main categories of activity.

(9) Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the issuer and its subsidiaries, if any.

39. (1) In regard to every material subsidiary, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion held or intended to be held by the issuer.

(2) In regard to the issuer and every material subsidiary, particulars of the location of the principal establishments.

Financial information about the issuer and its subsidiaries, if any, and prospects

40. (1) A consolidated capitalisation statement and indebtedness statement for the issuer made up to a recent date acceptable to the Commission (normally not earlier than three months prior to the issue of the prospectus) giving information on short, medium and long-term debt (distinguishing between actual and contingent liabilities and including details of any debt securities issued and, if appropriate, the terms and conditions of any conversion, exchange or subscription rights) and shareholders' equity (including an indication of authorised and issued share capital by class, if appropriate, and the amount paid-up) duly adjusted to reflect the issue of the debt securities for which registration is sought accompanied by particulars of any material changes since that date, or an appropriate negative statement.

(2) A statement showing the sales turnover figures or gross trading income of the issuer and its subsidiaries, if any, during the three financial years immediately preceding the issue of the prospectus which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.

Financial and trading prospects

41. (1) General information on the trend of the business of the issuer and its subsidiaries, if any, since the date to which the latest audited accounts of the issuer were made up.

(2) A statement as to the financial and trading prospects of the issuer and its subsidiaries, if any, for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the general public and which could materially affect the profits.

(3) Where a forecast appears in the prospectus the principal assumptions, including commercial assumptions, upon which it is based, must be stated, the accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out. The reporting accountants, in the case of a new applicant, must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful inquiry, and such report must be set out.

(4) Particulars of the profits cover for interest payments and of the net tangible assets.

Accountants' reports

42. (1) A report by the reporting accountants prepared in accordance with international accounting standards as recognized by the Zambia Institute of Chartered Accountants and Schedule 4 to these Regulations. If more than nine months have elapsed since the date to which the latest published audited accounts of the issuer were made up, an interim financial statement covering at least the first six months must be included in the prospectus or appended to it. If the interim financial statement is unaudited, this fact must be stated.

(2) A statement of whether or not the accountants' report is qualified by the reporting accountants and if so, such qualification must be produced in full and the reasons for such qualification given.

Material adverse changes

43. A statement by the directors of any material adverse change in the financial or trading position of the issuer and its subsidiaries, if any, since the end of the period reported on in the accountants' report, or an appropriate negative statement.

Valuation reports

44. In the case of a property investment or development company, or where property interests account for more than thirty per cent of the net asset value of the issuer, a valuation report on the issuer's interests in land or buildings prepared in accordance with Schedule 5 to these Regulations.

Litigation

45. Particulars of any litigation or claims of material importance pending or threatened against the



issuer or any member of a group to which the issuer belongs, or an appropriate negative statement.

- Information about the issuer's management 46. The full name, residential or business address and description (being the director's qualifications or area of expertise or responsibility) of every director or proposed director.
- Secretary 47. The full name and professional qualification, if any, of the secretary of the issuer.
- Registered office 48. The address of the registered office and, if different, the head office and transfer office.
- Directors' interests 49. (1) A statement showing the interests (distinguishing between beneficial and non-beneficial interests) of each director and chief executive of the issuer in the equity or debt securities of the issuer or any associated corporation.  
(2) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who is, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the issuer or any member of a group to which the issuer belongs and the amount of each person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests, an appropriate negative statement.
- Directors' interests in contracts 50. Full particulars of any contract or arrangement subsisting at the date of the prospectus in which a director of the issuer is materially interested and which is significant in relation to the business of the issuer and its subsidiaries, if any, or an appropriate negative statement.
- Contracts pertaining to the issue 51. The dates of and parties to all documents pertaining to the issue entered into by the issuer or any member of a group to which the issue belongs within the two years immediately preceding the issue of the prospectus, together with a summary of the principal contents of such contracts.

Availability of reports 52. Details of where annual and any interim reports are available and how often interim reports are published.

Documents for inspection 53. Details of a reasonable period of time (being not less than fourteen calendar days) during which, and a place in Zambia at which, the following documents, where applicable, may be inspected –

- (a) the articles of the issuer;
- (b) any trust deed, fiscal agency agreement or other document constituting the debt securities;
- (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert a part of which is extracted or referred to in the prospectus;
- (d) a written statement signed by the reporting accountants setting out the adjustments made by them in arriving at the figures shown in their report and giving the reasons therefor; and
- (e) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiaries for each of the three financial years immediately preceding the issue of the prospectus.

### **PART C OTHER TYPES OF SECURITIES**

General information about the Issuer, its advisers and the prospectus 54. (1) The full name and address of the registered office of the issuer.

(2) A statement as follows-

*"The directors collectively and individually accept full responsibility for the accuracy of the information contained in this prospectus and confirm, having made all reasonable inquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement herein misleading."*

(3) The names and addresses of the issuer's principal bankers, sponsor, authorised representative, stockbroker, legal practitioners and registrars and of the legal practitioners to the issue.

(4) The name, address and professional qualifications of the issuer's auditors.

(5) The date of incorporation of the issuer.

(6) The provisions, or a sufficient summary of the provisions, of the articles with regard to –

(i) any power enabling a director to vote on a proposal, arrangement or contract in which the director is materially interested;

(j) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the directors;

(k) borrowing powers exercisable by the directors and how such borrowing powers can be varied;

(l) retirement or non-retirement of directors under an age limit;

(m) directors' qualification shares;

(n) changes in capital;

(o) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the time limit operates; and

(p) arrangements for transfer of the securities and (where permitted) any restrictions on their free transferability.

(7) Where the prospectus includes a statement purporting to be made by an expert, a statement –

(d) specifying the qualifications of such expert and whether such expert has any shareholding in the issuer or any group to which the issuer belongs or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the issuer or any such member and, if so, a full description thereof;

(e) that the expert has given and has not withdrawn their written consent, prior to the issue of the prospectus, to the issue of the prospectus with the expert's statement included in the form

and context in which it is in fact included; and

- (f) of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the prospectus.

Statement of application made

55. A statement that an application has been made to the Commission for registration of the securities.

Information about the securities for which registration sought

56. (1) The nature and amount of the issue including the number of securities which have been or will be created and issued and a full description of, including a summary of the terms attaching to, the securities for which registration is sought.

(2) The following information, so far as is appropriate, concerning the terms and conditions of the issue of the securities in respect of which the application for registration is made –

- (i) the total amount of the issue and the number of securities offered, where applicable, by category;
- (j) the issue price or offer price of each security, stating the nominal value of each security;
- (k) the methods of payment of the issue or offer price, particularly as regards the paying-up of securities which are not fully paid;
- (l) the procedure for the exercise of any right of pre-emption and the transferability of subscription rights;
- (m) the period during which the issue or offer of securities will remain open after issue of the prospectus, the date and time of opening of the subscription list, and the names of the receiving bankers;
- (n) the methods of and the time limits for delivery of the securities;
- (o) the names, addresses and description of the persons underwriting the issue for the issuer; and
- (p) in the case of an offer for sale of securities, the names, addresses and descriptions of the vendor of the

securities or, if there are more than ten vendors, such details of the ten principal vendors and a statement of the number of other vendors and particulars of any beneficial interest possessed by any director of the issuer in any securities so offered for sale.

Profit cover	57. Where registration is sought for securities with a fixed income, particulars of the profits cover for payments in respect of bonds, preference shares or other fixed income securities.
Net tangible assets	58. A statement of the net tangible asset backing for each class of security for which registration is sought, after making allowance for any new securities to be issued, as detailed in the prospectus.
Information about the issuer's capital	59. The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.
Voting rights	60. (1) If there is more than one class of shares, the rights of each class of share as regards voting, dividend, capital, redemption, and the creation or issue of further shares ranking in priority to or <i>pari passu</i> with each class. (2) A summary of the consent necessary for the variation of such rights.
Alterations in capital	61. Particulars of any alterations in the capital of the issuer or any member of a group to which the issuer belongs within the two years immediately preceding the issue of the prospectus, including – (c) where any such capital has been issued or is proposed to be issued as fully or partly paid up otherwise than in cash, particulars of the consideration for which the same has been or is proposed to be issued and in the latter case the extent to which they are so paid up; and (d) where any such capital has been issued or is proposed to be issued for cash, particulars of the price and terms upon which the same has been or is

proposed to be issued, details of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrear, or an appropriate negative statement.

Particulars of any capital under option

62. Particulars of any capital of the issuer or any member of a group to which the issuer belongs which is under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, except that where options have been granted or agreed to be granted to all members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

General information about activities of the issuer and its subsidiaries, if any

63. (1) A brief history and the general nature of the business of the issuer and its subsidiaries, if any, and, in cases where two or more activities are carried on which are material in terms of profits or losses, assets employed or any other factor, such figures and explanation as are necessary to demonstrate the relative importance of each such activity and details of the main categories of products sold or services performed and an indication of any significant new products or activities.

(2) If the issuer and its subsidiaries, if any, trade outside Zambia a statement showing a geographical analysis of its trading operations, and where a material proportion of the assets of the issuer and its subsidiaries, if any, are situated outside Zambia, a statement giving the best practicable indication of the amount and situation of such assets and the amount of assets situated in Zambia.

(3) If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.

(4) Particulars of any licences, concessions, trademarks, patents or other intellectual or industrial property rights which are material in relation to the business of the issuer and its subsidiaries, if any, and,

where such factors are of fundamental importance to the business or profitability of the issuer and its subsidiaries, if any, a statement regarding the extent to which the issuer and its subsidiaries, if any, are dependent on such factors.

(5) Information concerning the policy of the issuer and its subsidiaries, if any, on the research and development of new products and processes over the past five financial years where significant.

(6) Particulars of any interruptions in the business of the issuer and its subsidiaries, if any, which may have or have had a significant effect on the financial position in the last twelve months.

(7) The number of people employed by the issuer and its subsidiaries, if any, and changes therein in the last financial year, if such changes are material in the context of the group with, if possible, a breakdown of persons employed by main categories of activity.

(8) Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the issuer and its subsidiaries, if any.

Particulars  
of  
subsidiaries,  
etc

64. (1) In regard to every subsidiary company the whole of, or a substantial proportion of, whose capital is held or intended to be held (either directly or indirectly) by the issuer, or whose profits or assets make or will make a material contribution to the figures in the accountants' report or the next published accounts, particulars of the name, date and country of incorporation, general nature of business, issued capital and the proportion thereof held or intended to be held.

(2) In regard to the issuer and its subsidiaries, if any, particulars of the location of the principal establishments.

Financial  
information  
about the  
issuer and  
its  
subsidiaries,  
if any

65. (1) A report by the reporting accountants prepared in accordance with international accounting standards as recognised by the Zambia Institute of Chartered Accountants and the Schedule 4 to these Regulations.

(3) A statement of whether or not the accountants' report is qualified by the reporting accountants and if so, such qualifications must be

produced in full and the reasons for such qualifications given.

Details of  
Indebtedness

66. A statement as at the most recent practicable date, which must be stated, of the following on a consolidated basis –

- (e) the total amount of any debt securities of the issuer and its subsidiaries, if any, issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured, or an appropriate negative statement;
- (f) the total amount of all other borrowings or indebtedness in the nature of borrowing of the issuer and its subsidiaries, if any, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt, or an appropriate negative statement;
- (g) all mortgages and charges of the issuer and its subsidiaries, if any, or an appropriate negative statement; and
- (h) the total amount of any contingent liabilities or guarantees of the issuer and its subsidiaries, if any, or an appropriate negative statement.

Turnover,  
etc

67. A statement showing the sales turnover figures or gross trading income of the issuer and its subsidiaries, if any, during the three financial years immediately preceding the issue of the prospectus which should contain an explanation of the method used for computation of such turnover or income and a reasonable breakdown between the more important trading activities.



68. (1) General information on the trend of the business of the issuer and its subsidiaries, if any, since the date to which the latest audited accounts of the issuer were made up.

(2) A statement as to the financial and trading prospects of the issuer and its subsidiaries, if any for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.

(3) Where a profit forecast appears in the prospectus the principal assumptions, including commercial assumptions, upon which it is based, must be stated and the accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants and their report must be set out.

(4) The reporting accountant, financial adviser or sponsor, in the case of a new applicant, must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful inquiry, and such report must be set out.

Sufficiency  
of working  
capital

69. A statement by the directors that in their opinion the working capital available to the issuer and its subsidiaries, if any, is sufficient or, if not, how it is proposed to provide the additional working capital thought by the directors to be necessary.

Material  
adverse  
changes

70. A statement by the directors of any material adverse change in the financial or trading position of the issuer and its subsidiaries, if any, since the end of the period reported on in the accountants' report, or an appropriate negative statement.

Litigation

71. Particulars of any litigation or claims of material importance pending or threatened against the issuer or any member of a group to which the issuer belongs, or an appropriate negative statement.

Information  
about the  
issuer's  
management

72. The full name, nationality, residential or business address and description (being the director's qualifications or area of expertise or responsibility) of every director or proposed director.

73. The full name and professional qualification, if any, of the secretary of the issuer.

Registered  
Office

74. The address of the registered office and, if different, the head office and transfer office.

Directors'  
interests

75. (1) A statement showing the interests, distinguishing between beneficial and non-beneficial interests of each director and chief executive of the issuer.

(2) A statement showing the name, so far as is known to any director or chief executive of the issuer, of each person, other than a director or chief executive of the issuer, who is, directly or indirectly, interested in the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the issuer or any member of a group to which the issuer belongs, and the amount of each person's interest in such securities, together with particulars of any options in respect of such capital, or, if there are no such interests, an appropriate negative statement.

Directors'  
Contracts

76. (1) Particulars of directors' existing or proposed service contracts with the issuer or any member of a group to which the issuer belongs (excluding contracts expiring or determinable by the employer within one year without payment of compensation), or an appropriate negative statement.

(2) The aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer by the issuer or any member of a group to which the issuer belongs in respect of the last completed financial year under any description whatsoever.

(3) An estimate of the aggregate remuneration payable to, and benefits in kind receivable by, the directors or any proposed directors of the issuer by the issuer or any member of a group to which the issuer belongs in respect of the current financial year under the arrangements in force at the date of the prospectus.

Directors'  
interests  
in  
contracts

77. Full particulars of any contract or arrangement subsisting at the date of the prospectus in which a director of the issuer is materially interested and which is significant in relation to the business of the issuer and its subsidiaries, if any, or an appropriate negative statement.

Material  
contracts

78. The dates of and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into by the issuer or any member of a group to which the issuer belongs within the two years immediately preceding the issue of the prospectus together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of a group to which the issuer belongs.

Documents  
for  
inspection

79. Details of a reasonable period of time, being not less than fourteen days, during which, and a place in Zambia at which, the following documents, or copies thereof, where applicable may be inspected –

- (a) the articles of incorporation of the issuer;
- (b) each contract disclosed pursuant to paragraphs 23 and 25 or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof;
- (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the prospectus;
- (d) a written statement signed by the reporting accountants setting out the adjustment made by them in arriving at the figures shown in their report and giving the reasons therefor; and
- (e) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiaries for each of the three financial years immediately preceding the issue of the prospectus.

### THIRD SCHEDULE

(Regulation 12)

#### **INFORMATION TO BE CONTAINED IN PROSPECTUS AND SUPPLEMENTARY PROSPECTUS**

Shelf  
prospectus

1. A shelf prospectus shall comply with the general form and contents of a prospectus as set out in Schedule 2 of these Regulations and rules issued by the Commission and shall -

- (a) state that the shelf prospectus has been registered by the Commission;
- (b) state that the registration of the shelf prospectus and supplementary shelf prospectus shall not be taken to be that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed therein;
- (c) contain a statement that no securities will be allotted or issued on the basis of the shelf prospectus read together with any supplementary shelf prospectus later than two years after the date of the issue of the shelf prospectus;
- (d) if it contains any statement made by an expert or contains what purports to be a copy of or an extract from a report, memorandum or valuation of an expert, state the date on which the statement, report, memorandum or valuation was made and whether or not it was prepared by the expert for incorporation in the shelf prospectus;
- (e) disclose any legal proceedings commenced against either the issuer or any of its subsidiaries, during the twelve months immediately preceding the date of application to the Commission for registration of the prospectus in respect of any breach or contravention of any securities or banking laws;
- (f) contain the relevant disclosures that neither the issuer nor any of its

subsidiaries has, during the twelve months immediately preceding the date of application to the Commission for registration of the shelf prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies; and

- (g) set out such other information as may be specified by the Commission.

Supplementary  
shelf prospectus

2. A supplementary shelf prospectus shall contain the following –

- (a) information as may be specified in the rules issued by the Commission;
- (b) the offer period which should not be longer than twenty-eight working days from the date of the issue of the supplementary prospectus or such longer period as may be allowed by the Commission;
- (c) a disclosure where -
  - (i) a matter has arisen and information in respect of that matter would have been required by these regulations or the rules issued by the Commission or any listing requirements of a securities exchange, to be disclosed in the prospectus if the matter had arisen at the time the shelf prospectus was prepared;
  - (ii) there has been a significant change affecting a matter disclosed in the shelf prospectus;
  - (iii) the shelf prospectus contains a statement or information that is false or misleading; or
  - (iv) the shelf prospectus contains a statement or information from which there is a material omission;
- (d) information on any legal proceedings commenced against either the issuer or any of its subsidiaries during the twelve

months immediately preceding the date of application to the Commission for registration of the shelf prospectus and during the effective period of the shelf prospectus, in respect of any breach or contravention of any securities or banking laws;

(e) information that neither the issuer nor any of its subsidiaries has, during the twelve months immediately preceding the date of application to the Commission for registration of the shelf prospectus and during the effective period of the shelf prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies; and

(f) information that the supplementary shelf prospectus has been registered by the Commission and that a copy has been lodged with the Securities Exchange where the securities are listed.

FOURTH SCHEDULE  
(Schedule 2, paragraphs. 12 and 42)

**ACCOUNTANTS' REPORTS**

Preliminary                      1.      This Schedule sets out the detailed requirements for accountants' reports on the profits and losses, assets and liabilities and other financial statements.

Reporting  
Accountants                      2.      Accountants' reports must be prepared by professional accountants who are qualified and registered with the Zambia Institute of Chartered Accountants for appointment as auditors of a company and who are independent of the issuer.

Basic  
content                              3.      An accountants' report must include –  
(1)      Three year history of results of the issuer or, if the issuer is a holding company, the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the prospectus or such shorter period as may be acceptable to the Commission.

(2)      Three year history of results of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (1) above) in respect of each of the three financial years immediately preceding the issue of the prospectus or in respect of each of the financial years since commencement of such business or the incorporation of such subsidiary, as the case may be, if this occurred less than three years prior to such issue, or such shorter period as may be acceptable to the Commission.

(3)      The report on results under paragraph (1) and (2) must disclose separately the following information

–

- (a)      turnover;
- (b)      profit (or loss) before taxation and extraordinary items, including the share of the profit (or loss) of associated companies, with separate disclosure of any items included therein which are exceptional because of size or incidence;

- (c) taxation on profits (Zambian and foreign) in each case indicating the basis of computation, with separate disclosure of the taxation on its shares of associated companies' profits;
- (d) profit (or loss) attributable to minority interests;
- (e) profit (or loss) attributable to shareholders before extraordinary items;
- (f) extraordinary items (net of taxation);
- (g) profit or loss attributable to shareholders; and
- (h) rates of dividend paid or proposed on each class of shares (with particulars of each such class) and amounts absorbed thereby and any waivers of dividend except that the accountants' report need not disclose this information if the accountants' report relates to an issue of debt securities.

(4) The assets and liabilities (including contingent liabilities) of the issuer and, if the issuer is itself a holding company, the consolidated assets and liabilities of the issuer and its subsidiaries in each case as at the date to which the latest audited accounts of the issuer have been made up.

(5) The assets and liabilities (including contingent liabilities) of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which the latest audited accounts of the issuer have been made up (on the same basis, where the subsidiary is itself a holding company, as in (3) above) in each case as at the date to which the latest audited accounts of such business or subsidiary (as the case may be) have been made up.

(6) The earnings per share and the basis of computation in respect of each of the financial years referred to in (1) and (2) above except that the accountants' report need not include this information if, in the opinion of the reporting accountants, such information is not meaningful having regard to the purpose of the accountants' report or if the accountants' report relates to an issue of debt securities.

(7) Transfers to and from any reserves arising on



- (a) consolidation or acquisition (i.e. the write off of good will/establishment of a capital reserve);
- (b) the revaluation of assets; or
- (c) the translation of accounts denominated in foreign currencies, if those transfers are not reflected in the results of each of the financial years referred to in (1) and (2) above.

(8) A statement of the indebtedness as at the end of the period reported on showing, as regards bank loans and overdrafts and separately as regards other borrowings of the issuer (or of the issuer and its subsidiaries, including any company which will become a subsidiary by reason of any acquisition falling within paragraphs (2) and (4) of item three, the aggregate amounts repayable –

- (a) on demand or within a period not exceeding one year;
- (b) within a period of more than one year but not exceeding two years;
- (c) within a period of more than two years but not exceeding five years.

(9) The details of the principal accounting policies which have been applied in respect of the period reported on.

(10) A statement of any significant subsequent events which have occurred to any business or company or within any group covered by the accountants' report since the end of the period reported on or, if there are not such events, a statement of that fact.

(11) Any capital commitments.

(12) Any other matters which appear to the reporting accountants to be relevant having regard to the purpose of the accountants' report.

Basic  
content

4. In all cases the accountants' report must –
- (a) state whether or not the accounts for the period reported on have been audited and, if so, by whom; and
  - (b) state whether or not any audited accounts have been made up since the end of the last financial period reported on;
  - (c) express an opinion as to whether or not the relevant information given, for the purposes of the accountants' report, a

true and fair view of the results for the period reported on and of the assets and liabilities at the end of that period;

- (d) state that it has been prepared in accordance with item 6 below.
- (e) name the reporting accountants; and
- (f) be dated.

Disclosure

5. The information to be disclosed in respect of items 3 and 4 must conform to the international accounting standards and guidelines as recognised by the Zambia Institute of Chartered Accountants.

Accounting standards

6. (1) The financial history of results and the statement of assets and liabilities included in the accountants' report must be drawn up in conformity with international accounting standards and guidelines as recognised by the Zambia Institute of Chartered Accountants.

(2) Any significant departure from such accounting standards must be disclosed and explained and, if it is both relevant and practical, the financial effects of such departure quantified.

(3) The relevant standards will be those current in relation to the last financial year reported on and, wherever possible, appropriate adjustments should be made to show profits for all periods in accordance with such standard.

Statement of adjustments

7. (1) In preparing the accountants' report, the reporting accountants (if any) as are in their opinion appropriate for the purposes of the accountants' report and state therein that all adjustments considered necessary have been made, or (where appropriate) that no adjustments were considered necessary.

(2) Where adjustments are made, a written statement (the statement of adjustments) must be made available for public inspection, and should be signed by the reporting accountants.

(3) The statement of adjustments must set out, for each of the years reported upon, each adjustment made and be sufficiently detailed so as to reconcile the figures in the accountants' report with the corresponding figures in the audited accounts and must give the reasons therefor.

Other reports

8. (1) Where the reporting accountants refer to reports, confirmations or opinions of valuers, accountants or other experts, the names, addresses and professional qualifications of such other persons or firms should be stated in the report.

(2) In any case, the prospectus will be required to include a statement that such other persons or firms have given and have not withdrawn their written consent to its issue with the inclusion of such references in the form and context in which they are included.

Qualified reports

9. Where the reporting accountants qualify their accountants' report, they should refer to all material matters about which they have reservations. All reasons for the qualifications should be given and its effect quantified if this is both relevant and practical. A qualified accountants' report in respect of a new applicant may be acceptable where the qualification does not relate to a matter of significance to investors but will not be acceptable where the qualification does relate to a matter of significance to investors.

Additional information

10. (1) These requirements are not exhaustive and that further information may be required or the required information varied, by the Commission where it considers it necessary.

(2) In cases of doubt or difficulty the reporting accountants should consult the Commission through the issuer's authorised representative.

FIFTH SCHEDULE  
*(Schedule 3, paragraphs 18 and 44)*

**PROPERTY VALUATION REPORTS**

- Preliminary
1. Valuations of and information on all the issuer's interests in land or buildings ("properties") are required to be included in a prospectus issued by a new applicant.
- Basic contents
2. Valuation reports shall contain all material details of the basis of valuation, which must be prepared in conformity with the standards and guidelines adopted or approved by the Surveyors' Institute of Zambia.
3. (1) A valuation report shall contain the following information:
- (2) A description of each property including –
- (a) an address sufficient to identify the property, which should generally include the postal address and such further designation as is registered with the appropriate government authorities in the jurisdiction in which the property is located;
  - (b) a brief description (e.g. whether land or building, approximate area, etc.);
  - (c) the existing use (e.g. shops, offices, factories, residential etc.);
  - (d) the ground rent;
  - (e) a summary of the terms of tenants' leases or under leases (including repairing obligations, were material);
  - (f) the approximate age of buildings;
  - (g) the terms of tenure;
  - (h) the terms of any intra-group lease granted by a holding company to a subsidiary on property occupied by the group (identifying the properties);
  - (i) the capital value in existing state at the effective date as at which the property was valued;
  - (j) the current planning or zoning use;
  - (k) the options or rights of pre-emption concerning or affecting the property; and

- (l) any other matters which may materially affect the value.
- (3) Where the property is not in the process of being developed, details of rentals of the property including –
- (a) the existing monthly rental if the property is wholly or partly let together with the amount and a description of any outgoings or disbursements from the rent, and, if materially different, the estimated current monthly market rental obtainable, on the basis that the property were available to let on the effective date as at which the property was valued;
  - (b) a summary of any rent review provisions, where material; and
  - (c) the amount of vacant space, where material.
- (4) Where the property is in the process of being developed the following additional details, where available–
- (a) details of development potential and whether architectural plans have been approved or planning consent has been obtained and whether any conditions have been imposed in respect of such approval;
  - (b) any material restrictions on development including building covenants and time limits for completion of the development;
  - (c) existing stage of development;
  - (d) estimated completion date;
  - (e) estimated cost of carrying out the development or (where part of the development has already been carried out) the estimated cost of completing the development;
  - (f) estimated capital value in existing state at the effective date as at which the property was valued;
  - (g) estimated capital value after completion;

- (h) any material special or general conditions affecting the development of the property;
- (i) any conditions imposed as to construction of roadways, pathways, drainage, sewage and other facilities or services for public use, if material;
- (j) any sales arrangements and/or letting arrangements existing at the effective date as at which the property was valued; and
- (k) any construction costs incurred up to the effective date as at which the property was valued.

(5) Where the property is held for future development purposes the following additional details, where available –

- (a) details of development potential and whether architectural plans have been approved or planning consent has been obtained and whether any conditions have been imposed in respect of such approval;
- (b) any material special or general conditions affecting the development of the property including building covenants and time limits for completion or the development; and
- (c) any conditions imposed as to construction of roadways, pathways, drainage, sewage and other facilities or services for public use, if material.

(6) A classification of the property according to the purpose for which it is held. The acceptable categories are –

- (a) property held for development;
- (b) property held for investment;
- (c) property held for owner occupation; and (d) property held for sale.

(7) Details of any agreement or proposals as to any proposed transaction regarding the property between the issuer and any other member of a group to which the issuer belongs;

(8) The name of the valuer, his address and professional qualification;

(9) The effective date as at which the property was valued and the date of the valuation; and

(10) Such other information as the Exchange may require.

Effective date                      4.     The effective date as at which the property was valued must not be more than three months before the date on which the prospectus is issued and if such effective date is not the same as the end of the last period reported on by the reporting accountants (see the Third Schedule), it will be necessary for the prospectus to include a statement reconciling the valuation figure included in the balance sheet as at the end of that period.

Independence of valuer                      5.     Unless dispensation is obtained from the Commission, all valuations of properties must be prepared by an independent qualified valuer.

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Minister of Finance

LUSAKA  
, 2020  
(MOF/ )