



SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

PUBLIC NOTICE

**EXEMPTION, PURSUANT TO SECTION 4(2) OF THE SECURITIES ACT, NO. 41 OF 2016 FOR AUDITORS
AND CAPITAL MARKET OPERATORS FROM COMPLIANCE WITH REQUIREMENT TO SUBMIT ANNUAL
REPORTS WITHIN 120 DAYS
AND
DIRECTIVE, PURSUANT TO SECTION 212 OF THE SECURITIES ACT, FOR SUBMISSION OF ANNUAL
REPORTS WITHIN 150 DAYS**

1.0 BACKGROUND

- 1.1 The Securities and Exchange Commission (hereinafter referred to as “the Commission”) is a statutory body established under the Securities Act, Cap. 354 of the Laws of Zambia (repealed) and whose existence is continued under the Securities Act, No. 41 of 2016 (hereinafter referred to as “the Securities Act”). The Commission has a statutory mandate to protect investors in the capital markets.
- 1.2 The Commission is cognizant of the disruptive effect of COVID-19 which has led to challenges in compliance with various annual reporting requirements as a result of unavailable client staff, reduced audit teams and the increased audit risk due to the pandemic which requires additional resources on the part of the auditors and consequently lengthening the audit process.

2.0 EXEMPTION PURSUANT TO SECTION 4(2) OF THE SECURITIES ACT

- 2.1 The Commission has considered the Securities Act’s disclosure requirements, the statutory need for financial information to be availed to the public to enable informed decision making and the impact of the pandemic on the audit process. The Commission has therefore resolved to exempt Auditors and Capital Market Operators (CMOs) from the requirement to submit annual reports, including audited financial statements, within ninety days after the financial year end as required under sections 47, 70, 95 and 146 of the Securities Act and the Commission’s Circular No. 1 of 2020.
- 2.2 Therefore, pursuant to section 4(2) of the Securities Act, the Commission hereby grants an exemption to Auditors and CMOs from submitting annual reports within ninety days of a financial year end falling between 1st January 2021 and 31st December 2021.

3.0 DIRECTIVE FOR COMPLIANCE WITHIN 150 DAYS

- 3.1 The Commission further issues a Directive in accordance with section 212 of the Securities Act for Auditors and CMOs to submit annual reports within one hundred and fifty (150) days from

the financial year end. This dispensation shall apply to all CMOs whose financial statements are due between 1st January 2021 and 31st December 2021 inclusive.

3.2 The following deadlines for submission of annual reports shall apply:

Type of CMO	Financial year end	Current deadline	Revised deadline
• Licensees	31-Dec-20	31-Mar-21	30-May-21
• Issuers i.e., listed entities and entities whose securities are registered with the Commission	31-Mar-21	30-Jun-21	31-Aug-21
	30-Jun-21	30-Sep-21	30-Nov-21
	30-Sep-21	31-Dec-21	28-Feb-22
Collective Investment Schemes/ Unit Trusts	31-Dec-20	30-Apr-21	30-Jun-21
	31-Mar-21	31-Jul-21	30-Sep-21
	30-Jun-21	31-Oct-21	31-Dec-21
	30-Sep-21	31-Jan-22	31-Mar-22

4.0 LIMITATIONS FOR EXEMPTION

4.1 The exemption only relates to the timelines for reporting requirements and does not extend to the Auditors' duty to comply with Section 148 (3) of the Securities Act, No. 41 of 2016 which requires the Auditors to notify the Commission of the reasons for the failure by a licensee to submit its audited results within four (4) months of the financial year end.

4.2 For CMOs whose securities are listed on a licensed securities exchange or whose securities are registered with the Commission, the CMO will still be expected to comply with the rules of the exchange on which their securities are listed, unless they have been granted dispensation by their exchange. The Commission notes in particular that Section 3 of the Lusaka Securities Exchange Plc ("LuSE") listing Rules requires issuers to publish provisional financial statements if they are unable to publish audited financial statements.

4.3 Furthermore, the dispensation granted herein does not waive or disregard all other statutory obligations and timelines imposed on the CMOs by the Companies Act and other applicable laws of Zambia.

5.0 DURATION OF EXEMPTION

The exemption granted to Auditors and CMOs will cease to operate for all annual reports covering financial reporting periods beginning on or after 1st January 2022.

Dated this 21st day of January 2021.

Signed for and on behalf of the Commission Board by:

Mr. Amos Siwila
Commission Board Chairperson