



SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

MARKET GUIDANCE ON THE APPLICATION PROCESS FOR A SHARE TRANSFER AGENT'S LICENCE

In order to comply with the Directive issued by the Commission on 21st July 2023 requiring the licensing of all persons engaged in or undertaking the role of a Share Transfer Agent, the Commission would like to guide applicants through the application process as follows:

A: APPLICATION BY A COMPANY (INCLUDING A DEPARTMENT OR DIVISION OF AN ISSUER) TO BE LICENSED AS A SHARE TRANSFER AGENT

A.1 Documents to be submitted:

A.1.1 Application Letter

An Applicant must formally write to the Commission expressing interest in obtaining a license to operate as a Share Transfer Agent. The cover letter will then attach the application form and other relevant information required to be submitted.

A.1.2 Application form

Complete an application form.

A.1.3 Provide Company details

A.1.3.1 An Applicant must provide the following Company details:

- a. Certified copy of certificate of incorporation or certificate of registration;
- b. Certified copy of share capital;
- c. Certified copy of articles of association;
- d. Proof of business address; and
- e. Company's business plan.

A.1.3.2 Director and Shareholder Details

An applicant must provide the following:

- a. Certified copies of directors and Substantial shareholders identity documents (National Registration Card, Passport or Driver's License);
- b. Residential addresses for the directors/shareholders;
- c. Curriculum vitae for the directors/shareholders; and
- d. The name and current address of two referees for each director. The referees should provide appropriate reference letters addressed directly to the Commission.

A.1.4 Financial Information

An applicant must submit the following financial information:

- a. Latest audited financial statements by a registered ZICA accounting firm;
- b. Latest management accounts if audited financial statements are more than six months old;
- c. A Letter from Auditors confirming that the applicant has appointed them to audit its books;

A.1.5 Capital Market Association of Zambia Membership

An applicant must provide proof of membership to the Capital Markets Association of Zambia as required under section 208(2) of the Securities Act.

A.2 Fees

No fees are payable at this time BUT the annual fees will apply once the statutory instrument on Fees and Levies currently being reviewed by the Ministry of Justice is finalised.

A.3 Fit and proper criteria

The Commission shall apply the fit and proper criteria applicable to other license categories including the requirement to undertake background checks and security clearances for the company, its directors and shareholders.

A.4 Minimum Capital Adequacy

The minimum capital adequacy requirement for a Share Transfer Agent has not been set. However, the Commission requires an applicant to have a positive net balance of their assets and liabilities.

B: APPLICATION BY AN INDIVIDUAL TO BE LICENSED AS A SHARE TRANSFER AGENT'S REPRESENTATIVE

An individual operating as or intending to operate as a representative of a Share Transfer Agents is required to submit the following:

B.1 Application Letter

An Applicant must formally write to the Commission expressing interest in obtaining a license to operate as a Share Transfer Agent's Representative. The cover letter will then attach the application form and other relevant information required to be submitted.

B.2 SEC Application form for Licence

Fill out the application form.

B.3 Personal Details

B.3.1 An Applicant must provide the following details:

- a. Curriculum vitae – Please include names of three referees and their current address (Not politically connected persons or family member or workmates – please see SEC Character reference template on the website;
- b. Two reference letters in sealed envelopes (Please collect from SEC a Standard template for the letter required for each referee at the point of collecting/ downloading the application form);

- c. Certified copies of school certificates;
- d. Proof of residential address (e.g. original or certified copy of utility bill, council land rate, lease agreement, or letter from employer, etc);
- e. Certified copy of identity card;
- f. Certified copy of work permit, if not Zambian; and
- g. and
- h. Proof of having completed a SEC approved course.

B.3.2 Financial Information

A Latest statement of assets and liabilities (signed by the Applicant) which should indicate a positive net asset position.

B.3.3 Capital Market Association of Zambia Membership

An applicant must provide proof of membership to the Capital Market Association of Zambia as required under section 208(2) of the Securities Act.

B.3.4 Fees

No fees are payable at this time BUT the annual fees will apply once the statutory instrument on Fees and Levies currently being reviewed by the Ministry of Justice is finalised.

B.3.5 Fit and proper criteria

The Commission shall apply the fit and proper criteria applicable to other license categories including the requirement to undertake background checks and security clearances for the applicant.

C: COMPLIANCE DEADLINE

Applicants for a Share Transfer Agency Licence or a Share Transfer Agency Representative's Licence is 31st December 2023.

The SEC reserves the right to take enforcement action against unlicensed operators after the deadline.

For further guidance regarding the application process or for any other clarification, please do not hesitate to contact the Commission on:

Telephone: +260 211 227 012/ 222 368/ 222 369

Email: info@seczambia.org.zm

Dated the 1st day of August 2023



Phillip K. Chitalu
CHIEF EXECUTIVE OFFICER