



SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

ANNUAL REPORT 2025

**DRIVING
SUSTAINABLE
CAPITAL MARKET
GROWTH**



**INVESTOR
PROTECTION**



**ENFORCEMENT
& COMPLIANCE**



**SUSTAINABLE
FINANCE**



**DIGITAL
INNOVATION**



**CAPITAL
FORMATION**



www.sec.gov.zm

Contents

Contents

Annual Report Highlights	5
About SEC	6
Values	7
Commission’s Mandate.....	7
IOSCO Core Objectives	9
Sustainability Report	10
Advancing Sustainable Capital Markets.....	10
Chairperson’s Review.....	13
Chief Executive’s Statement.....	16
Governance.....	19
Board Composition	21
SEC Commissioners in 2025	22
SEC Senior Management in 2025.....	25
SEC Management in 2025	26
Board Meetings	29
Board Committees	30
Governance and Risk Assurance	33
Commission Secretary	34
Board Performance Self-Evaluation	34
Report on regulatory and operational efficiency.....	41
Introduction.....	42
Effectiveness of Regulatory Oversight	42
Operational Efficiency and Cost Effectiveness	42
Public Value and Cost to the Nation in the Absence of the Commission	43
Strategic Performance and Institutional Efficiency	43
Stakeholder and Market Relationships.....	44
Current and Future Institutional Capabilities	44
Conclusion	44
Operational Activities.....	46
MARKET SUPERVISION.....	46
Universe of Capital Markets Operators	46
Operationalisation of Risk-Based Supervision (RBS)	47

Risk Profiling Outcomes and Sector Risk Trends.....	47
Supervisory Activities Undertaken.....	48
Supervisory Letters and Enforcement Linkages	48
Strengthening Supervisory Tools	48
Issuers of Registered Securities	49
Internal controls over financial reporting (“ICFR”).....	50
Collective Investment Schemes	50
Licensing	51
Surveillance and complaints handling.....	52
Market Surveillance	52
Key Observations from 2025 AGMs.....	52
Surveillance of Unlicensed Investment Schemes.....	52
Complaints.....	53
Risk-RiskBased Supervision	53
Capacity Building and Stakeholder relationship management	53
AML/CFT Engagement with the CMOs.....	53
Climate Risk Supervision and Self-Regulatory Organization (SRO) Supervision	54
MARKET DEVELOPMENT	55
Capital Markets Master Plan.....	55
National Financial Inclusion Strategy (“NFIS”)	58
National Strategy for Financial Education for Zambia (“NFSE”).....	58
Developing Zambia’s Subnational Revenue Bonds Project	59
Regulatory Sandbox.....	59
2025 Financial Literacy Week.....	60
SEC Participates in Boys’ and Girls’ Character Development Camp at Kuzipa Farms.....	61
Livingstone Primary School	61
Terry Schwartz Secondary Adventist school	62
Livingstone Institute of Business and Engineering Studies	62
Commemoration of World Investor Week 2025.....	63
Capital Markets Tertiary Essay Writing Competition	64
Capital Markets Ambassadors Programme	65
Monthly Townhall Meetings.....	65
97 th Agricultural and Commercial Show.....	68
Zambia Capital Markets Conference and Awards 2025 (ZCMCA).....	69
Copperbelt Agricultural, Mining, Industry and Networking Expo (CAMINEX).....	69
Green and Sustainable Finance Activities	69
Public Awareness and Investor Protection.....	70

ENFORCEMENT AND LEGAL SERVICES	72
Overview.....	72
Enforcement and Investor Protection	72
Strengthening the Legal and Regulatory Framework	73
Advancing International Regulatory Standards	74
Strategic Partnerships and Stakeholder Engagements	74
Regional and International Cooperation	80
Looking Ahead.....	80
MARKET TRANSACTIONS	81
2025 Financial Statements	82
APPENDICES	138
Appendix I – SEC Corporate Address and Contact Details.....	138
Appendix II – Organisational Structure.....	139
Appendix 2A – Full Organogram	139
Appendix 2B - Individual Directorates and Units.....	140
Appendix III – List of Authorised Capital Market Players as at 31 st December 2025.....	143
Appendix IV – Contact Details of Capital Market Operators	152

Annual Report Highlights

The Commission continued to deliver strong results across both institutional performance and market oversight during 2025. Internally, the Commission maintained a robust financial position, strengthened operational efficiency and enhanced organisational capacity to support the effective discharge of its statutory mandate.

Externally, the Commission continued to promote market growth, strengthen regulatory oversight and foster investor confidence, contributing to the continued development and resilience of Zambia’s capital markets.



The following highlights provide a snapshot of the Commission’s performance in 2025, distinguishing between SEC Performance—which reflects institutional sustainability and operational excellence—and Market Oversight Highlights, which capture the Commission’s regulatory impact and the performance of the capital market.



About SEC



OUR VISION & MISSION



VISION
A dynamic regulator of a capital market that is the preferred destination for investments.



MISSION
To safeguard interests of investors and promote the growth of capital markets for individual and national prosperity.

 **PROTECTING INVESTORS** |
  **PROMOTING MARKET GROWTH** |
  **BUILDING TRUST AND CONFIDENCE** |
  **FAIR • EFFICIENT TRANSPARENT**



SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

Values

The Commission depends on the following core values in the performance of its staff by which their conduct and behaviour is anchored:



Commission's Mandate

The Securities and Exchange Commission (SEC) is a statutory body established under Section 3 of the Securities Act, Chapter 354 of the Laws of Zambia. The Commission is responsible for regulating Zambia's capital markets to promote fair, efficient and transparent markets, protect investors, facilitate capital formation and contribute to the development of a vibrant and resilient capital markets financial sector.

In fulfilling its mandate, the Commission seeks to maintain an appropriate balance between investor protection and capital market development. This is achieved through a regulatory framework that promotes market integrity, enhances public confidence, encourages innovation and supports sustainable economic growth. The Commission also supervises licensed market participants, oversees securities offerings and market transactions, enforces compliance with the law, and promotes financial literacy and investor education.

The Commission's governance framework is established under the Securities Act, which vests the overall responsibility for the governance and strategic direction of the Commission in the Board of Commissioners. In accordance with Section 8 of the Act, the Board is responsible for exercising the powers and functions of the Commission, providing strategic oversight, approving key regulatory and

policy decisions, and ensuring that the Commission operates in accordance with the principles of transparency, accountability, independence and good corporate governance.

While the Board provides strategic leadership and oversight, responsibility for the day-to-day administration and management of the Commission is delegated to the Chief Executive Officer and Management, thereby ensuring an effective separation between governance and operational responsibilities. This governance structure reinforces regulatory independence, promotes sound decision-making and supports the Commission in effectively discharging its statutory mandate in the public interest.

The specific functions of the Commission as provided under section 9 of the Act are as follows:

- a) ensure compliance with the Act and regulations or rules made in accordance with the Act;
- b) license securities exchanges, regulate the activities of securities exchanges and the settlement of securities transactions;
- c) license and regulate capital markets operators;
- d) license and regulate clearing and settlement agencies and other participants in the capital markets;
- e) license and regulate credit rating agencies and provide conditions for the issuing of credit ratings;
- f) approve the constitutions, charters, articles, by-laws and rules governing and pertaining to securities exchanges, clearing and settlement agencies and other participants in the capital markets;
- g) promote and encourage high standards of investor protection and integrity among members of securities exchanges, capital markets operators, clearing and settlement agencies, self-regulatory organisations and other participants in the capital markets;
- h) support the operation of a free, orderly, fair, secure and properly informed capital markets;
- i) regulate the manner and scope of securities transactions;
- j) regulate margin requirements, capital adequacy requirements, disclosure and reporting requirements and clearing and settlement requirements, as may be prescribed;
- k) take all reasonable steps to safeguard the interest of persons who invest in securities and guard against illegal and improper practices as provided in the Act;
- l) authorise the establishment of collective investment schemes and other schemes;
- m) regulate the activities of managers, trustees and custodians;
- n) authorise and regulate the establishment of private funds;
- o) consider and suggest proposals for the reform of the Act and rules and regulations made in accordance with the Act;
- p) promote and develop a system of self-regulation by securities exchanges, clearing and settlement agencies, self-regulatory organisations, other participants in the capital markets and capital markets operators, as maybe prescribed;
- q) encourage the development of securities and securities exchanges and the increased use of such exchanges;
- r) provide, promote or otherwise support financial education, awareness and confidence with regard to financial products, institutions and services;
- s) prescribe certification standards and accreditation for licensees;
- t) co-operate with, provide assistance to, receive assistance from, and exchange information with other regulatory bodies and trade organisations in Zambia and elsewhere;
- u) exercise and perform such other functions as may be conferred or imposed upon it by or in

- accordance with the Act or any other written law; and
- v) vet a substantial shareholder in accordance with the vetting criteria contained in guidelines issued by the Commission, including the substantial shareholder's source of funds, and the beneficial owner of a company whose securities are registered, or which is authorised or licensed under this Act.

IOSCO Core Objectives



In discharging its statutory mandate, the Securities and Exchange Commission aligns its regulatory approach with the internationally recognised Objectives and Principles of Securities Regulation developed by the International Organization of Securities Commissions (IOSCO). These principles provide the global benchmark for effective securities

regulation and guide the Commission's efforts to promote resilient, transparent and well-functioning capital markets.

The Commission's regulatory activities are underpinned by the following three core objectives of securities regulation:

- Protecting investors by promoting confidence in the capital markets and safeguarding their interests;
- Ensuring that markets are fair, efficient and transparent, thereby fostering market integrity and supporting capital formation; and
- Reducing systemic risk through effective supervision, risk-based regulation and timely regulatory intervention.

As a member of IOSCO and a signatory to the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (MMoU), the Commission remains committed to applying internationally recognised regulatory standards and strengthening cross-border regulatory cooperation. These principles are embedded in Zambia's legal and regulatory framework and continue to inform the Commission's policy development, supervisory practices, enforcement activities and day-to-day regulation of the capital markets.

By adhering to these internationally accepted standards, the Commission promotes investor confidence, strengthens market integrity and supports the sustainable growth and competitiveness of Zambia's capital markets.

Sustainability Report

Advancing Sustainable Capital Markets




Sustainability is increasingly becoming an integral component of financial market development and economic resilience. As Zambia’s capital markets regulator, the Securities and Exchange Commission (SEC) recognises its responsibility not only to regulate fair, efficient and transparent markets but also to create an enabling environment that supports sustainable investment, responsible business conduct and long-term economic growth in line with the country’s development aspirations.

The Commission’s contribution to sustainability extends beyond its internal operations. Through sound regulation, investor protection, good governance, sustainable finance initiatives and strategic partnerships, the Commission continues to facilitate the mobilisation of long-term capital towards productive and environmentally sustainable investments while promoting inclusive economic development.



During the 2025 financial year, the Commission continued integrating environmental, social and governance (ESG) considerations into its regulatory framework, institutional operations and strategic initiatives in support of Zambia’s Vision 2030, the Eighth National Development Plan (8NDP) and the United Nations Sustainable Development Goals (SDGs).

The Commission’s Contribution to the Sustainable Development Goals

The Commission’s activities during 2025 contributed directly to the following Sustainable Development Goals:

Sustainable Development Goal	SEC Contribution	2025 Highlights
SDG 4 – Quality Education 	Financial literacy, investor education and capacity building	The Commission Continued investor education programmes, stakeholder awareness initiatives, staff development programmes and construction of the Capital Markets Training Centre to strengthen technical capacity and market knowledge. Once completed, the facility will serve as a national centre of excellence for capital markets education, professional training, research and stakeholder engagement, supporting long-term market development and financial inclusion.
SDG 5 – Gender Equality	Promoting inclusive leadership and	The Commission remains committed to fostering a diverse, inclusive and equitable workplace. Women represented approximately 50% of the Commission’s workforce, while 57%

Sustainable Development Goal	SEC Contribution	2025 Highlights
 <p>5 GENDER EQUALITY</p>	equal opportunity	of nominated Board Members (4 out of 7) were female, demonstrating strong gender representation in governance and decision-making. The Commission will continue promoting merit-based recruitment, leadership development and equal opportunities for all employees.
<p>SDG 7 – Affordable and Clean Energy</p> 	Adoption of renewable energy	The Commission continued demonstrating environmental stewardship through investment in renewable energy infrastructure at its office building. The Commission’s offices continued operating a solar photovoltaic power system supported by battery storage and inverter technology, improving energy resilience while reducing reliance on grid electricity, lowering the Commission’s environmental footprint and contributes towards reducing greenhouse gas emissions. In 2025, the solar plant generated 21.8 Megawatts out of a total annual consumption of 42.84 Megawatts representing a 50.1% consumption of clean energy in 2025.
<p>SDG 8 – Decent Work and Economic Growth</p> 	Capital mobilisation and financial sector development	Well-functioning capital markets are essential for sustainable economic growth. During 2025, the Commission continued facilitating capital formation through the registration of securities, authorisation of collective investment schemes, supervision of capital market operators and promotion of innovative financing instruments. Investor assets under regulation increased to approximately K338 billion, while the number of investors grew to more than 1.76 million, reflecting increased participation in Zambia’s capital markets and greater mobilisation of long-term savings.
<p>SDG 13 – Climate Action</p> 	Sustainable finance and green capital markets	The Commission continues to position sustainable finance as a strategic pillar of Zambia's capital market development agenda. In line with the Capital Markets Master Plan (CMMP), the Commission is committed to developing an enabling regulatory framework that supports innovative financial products, strengthens market capacity and mobilises private capital towards sustainable development. A significant milestone in this journey was the publication of the Securities (Green Bonds) Guidelines, 2019, which established Zambia’s first regulatory framework for the issuance of green bonds and laid the foundation for mobilising long-term capital towards environmentally sustainable investments as demonstrated by CEC Renewables Plc’s registration of a US\$200 million medium term note programme for a solar power project and achieving a capital raise of US\$156 million under this framework. Continued implementation of the Securities (Green Bonds) Guidelines, promotion of sustainable finance and support to the Green Finance Mainstreaming Working Group to support

Sustainable Development Goal	SEC Contribution	2025 Highlights
<p>SDG 16 – Peace, Justice and Strong Institutions</p> 	<p>Good governance and investor protection</p>	<p>climate-resilient investment and reinforce the capital market’s contribution to Zambia’s green growth and sustainable development agenda.</p> <p>Strong institutions are fundamental to investor confidence and sustainable financial markets. Strengthened enforcement, implementation of risk-based supervision, enhanced corporate governance, legislative reform, stakeholder engagement and improved regulatory oversight to safeguard investors and strengthen market integrity. These initiatives reinforced the Commission's role as an independent, transparent and accountable regulator committed to maintaining fair, efficient and transparent capital markets.</p>
<p>SDG 17 – Partnerships for the Goals</p> 	<p>Strategic partnerships</p>	<p>The Commission recognises that sustainable capital market development requires collaboration across government, regulators, market participants and development partners. Strengthened collaboration with the Bank of Zambia, Pensions and Insurance Authority, Lusaka Securities Exchange, Ministry of Green Economy and Environment, BIOFIN, IOSCO, Toronto Centre, CISNA, law enforcement agencies and other stakeholders. These partnerships continue to strengthen regulatory capacity, facilitate knowledge sharing and support the implementation of initiatives that contribute to resilient and sustainable capital markets.</p>

Looking Ahead

The Commission remains committed to embedding sustainability and ESG considerations across its regulatory framework and institutional operations. Future priorities include enhancing the introduction of innovative sustainable finance products, strengthening climate-related disclosures, promoting responsible investment, enhancing financial literacy and continuing investment in green infrastructure and institutional capacity.

By fostering transparent, resilient and inclusive capital markets, the Commission will continue supporting Zambia's transition towards a sustainable and prosperous economy while contributing meaningfully to the achievement of the Sustainable Development Goals.

Chairperson's Review



It is my honour to present the Securities and Exchange Commission's Annual Report for the year ended 31 December 2025—a year in which the Commission consolidated its strongest financial position to date while continuing to strengthen institutional capacity and advance its dual mandate of investor protection and capital market development.

The year under review was characterised by strong institutional performance, continued market growth and the successful implementation of key strategic initiatives. Investor participation more than doubled to 1.76 million investors, total savings mobilised through the capital markets increased to K338 billion, while the savings-to-GDP ratio rose to 51.18 percent. These achievements reflect increasing public confidence in

Zambia's capital markets and underscore the sector's growing contribution to domestic resource mobilisation and sustainable economic development.

The Commission also recorded another year of sound financial performance. An operating surplus of K100.1 million, accumulated reserves of K419.9 million, and the continued generation of 95 percent of

operating income from internally generated resources demonstrate the Commission’s financial resilience and sustainability. This strong financial position is significant not as an end in itself, but because it enables the Commission to invest in the people, systems, technology and supervisory capabilities necessary to deliver effective regulation and support the continued development of the capital markets.

The Board remained focused on providing effective oversight in accordance with the Securities Act, Chapter 354 of the Laws of Zambia, while ensuring that the Commission discharged its mandate with integrity, transparency, accountability and in the public interest. Throughout the year, the Board provided strategic direction and oversight over the implementation of the Commission’s 2022–2026 Strategic Plan and the Capital Markets Master Plan, ensuring that strategic priorities remained aligned with Zambia's broader economic aspirations.

The Commission continued to strengthen its regulatory and supervisory framework during the year. The implementation of Risk-Based Supervision was further embedded into supervisory processes, enabling more proactive oversight of market participants and strengthening the Commission’s ability to identify, assess and respond to emerging risks. At the same time, the Commission continued to promote market development through regulatory reforms, stakeholder engagement, investor education and initiatives aimed at broadening access to the capital markets.

From a governance perspective, 2025 was a year of transition and renewal. Changes in Board composition were managed in accordance with the law and established institutional practice, while the Board continued to discharge its responsibilities through its committee structures and sound governance processes. A particularly significant milestone was the approval of the Commission’s new organisational structure, shown in **Appendix II**, and which provides a stronger institutional platform for enhancing supervisory effectiveness, strengthening enforcement, supporting market development and improving operational efficiency from 2026 onwards.

Progress in implementing the Capital Markets Master Plan remained encouraging. Continued growth in collective investment schemes, increased activity in the bond market, advances in sustainable and green finance initiatives, and efforts to broaden investor participation all demonstrate the increasing maturity and relevance of Zambia’s capital markets. These developments reinforce the importance of maintaining a regulator that is financially sustainable, operationally agile and responsive to an evolving financial landscape.

The Board recognises that the operating environment continues to evolve rapidly. Financial innovation, digitalisation, cybersecurity risks, climate-related finance, and increasing expectations regarding governance, market conduct and disclosure require regulators to remain forward-looking and adaptive. The Board will continue to support Management in strengthening regulatory effectiveness while preserving market integrity, protecting investors and fostering innovation that contributes to inclusive and sustainable economic growth.

As the Commission concludes the final year of its 2022–2026 Strategic Plan, the Board remains confident that the strong institutional foundations established over recent years position the Commission well to deliver its next phase of strategic growth and continue building a vibrant, resilient and internationally respected capital market.

On behalf of the Board, I extend sincere appreciation to the Honourable Minister of Finance and National Planning, our fellow financial sector regulators, capital market operators, investors, cooperating partners and all stakeholders for their continued collaboration and support. I also express my gratitude to the Chief Executive Officer, Management and staff of the Commission for their professionalism, dedication and commitment in delivering another successful year.

Together, we remain committed to strengthening investor confidence, promoting capital formation and ensuring that Zambia's capital markets continue to serve as an effective catalyst for sustainable economic growth and national prosperity.

Paul Nkhoma (Mr.)
BOARD CHAIRPERSON

Chief Executive's Statement

The year ended 31 December 2025 was one of exceptional institutional and market performance for the Securities and Exchange Commission. Guided by our Strategic Plan (2022–2026) and the Capital Markets Master Plan, we continued to strengthen the regulatory framework, deepen capital market development and build an institution capable of responding effectively to the evolving needs of Zambia's financial sector.

The Commission made significant progress in delivering its statutory mandate of protecting investors, maintaining fair, orderly and efficient capital markets, and facilitating capital formation. During the year, the number of investors participating in Zambia's capital markets more than doubled to 1,760,545, while total savings mobilised through the market increased to K338 billion, representing 51.18 percent of Gross Domestic Product. These achievements reflect growing investor confidence, increased market participation and



the expanding role of the capital markets in mobilising long-term domestic savings for national development.

Operationally, the Commission continued to strengthen its regulatory effectiveness through the *Securities and Exchange Commission 2025 Annual Report*

successful implementation of Risk-Based Supervision, allowing supervisory resources to be directed towards areas of greatest regulatory risk while improving efficiency and market responsiveness. Oversight of 260 licensed market participants was maintained throughout the year, supported by enhanced surveillance, strengthened compliance monitoring and continued engagement with regulated entities.

The Commission also advanced implementation of the Capital Markets Master Plan through initiatives aimed at broadening market participation, promoting sustainable finance, strengthening collective investment schemes, supporting bond market development and enhancing investor education and financial literacy. These initiatives continue to reinforce the capital markets as an increasingly important source of long-term finance for Zambia's economic transformation.

Financially, 2025 was our strongest year since the establishment of the Commission. The Commission recorded an operating surplus of K100.638 million, compared with K65.976 million in 2024, while total income increased to K191.388 million from K146.220 million in the previous year. Total accumulated funds grew to K427.721 million, with accumulated reserves increasing to K419.888 million, providing the Commission with a robust financial foundation to support future strategic investments. Cash and cash equivalents increased to K391.415 million, translating into an expense cover ratio of approximately 58 months, significantly exceeding the Board-approved minimum threshold of six months cover.

The Commission's revenue profile continued to demonstrate increasing financial sustainability. Approximately 95 percent of total income was generated internally through commissions, levies, licensing and investment income, with Government grant funding accounting for only five percent of total revenue. While this represents an important milestone in institutional independence, it also highlights the need to continue diversifying revenue sources to reduce concentration risk arising from secondary market bond trading and to support the long-term sustainability of the Commission, a key objective under the Capital Markets Master Plan.

Notwithstanding the foregoing, our stellar financial performance has never been viewed as an objective in itself. Rather, it provides the capacity to invest strategically in the people, systems, technology and infrastructure required to regulate increasingly sophisticated financial markets. During the year, the Commission continued investing in supervisory systems, information technology, operational assets and human capital while maintaining prudent expenditure management. Employee costs remained at approximately half of total expenditure, reflecting the knowledge-intensive nature of financial regulation and our continued investment in technical capacity.

A major institutional milestone during the year was the approval of the Commission's new organisational structure. This reform provides the foundation for strengthening supervisory capacity, expanding enforcement capability, enhancing market development functions and positioning the Commission to respond effectively to future market growth. Implementation of the new structure will commence in 2026 in a phased and fiscally responsible manner.

Looking ahead, the Commission enters the final year of its 2022–2026 Strategic Plan from a position of considerable strength. Our priorities remain clear: to deepen market development, strengthen investor protection, expand access to capital markets, leverage technology and data analytics to enhance supervision, promote sustainable finance, and implement the organisational reforms necessary to support a larger, more dynamic and increasingly sophisticated capital market.

These achievements would not have been possible without the guidance of the Board of Commissioners, the support of the Honourable Minister of Finance and National Planning, the collaboration of our fellow financial sector regulators, capital market operators, cooperating partners and investors, and the commitment of every member of staff. Their professionalism, dedication and shared commitment to excellence continue to position the Commission as a trusted regulator and an important contributor to Zambia's economic development.

As we conclude the current Strategic Plan and prepare for the next phase of institutional growth, we remain committed to building a capital market that is transparent, innovative, resilient and inclusive, creating lasting value for investors, issuers and the Zambian economy.

Phillip K. Chitalu
CHIEF EXECUTIVE OFFICER

Governance



Governance in General

Good governance underpins the credibility, independence and effectiveness of the Securities and Exchange Commission. During 2025, the Commission continued to strengthen its governance framework through effective Board oversight, robust committee structures, performance evaluation, sound financial stewardship and adherence to internationally recognised regulatory principles. These governance arrangements enabled the Commission to discharge its statutory mandate transparently, independently and in the public interest while supporting continued growth of Zambia's capital markets.

The Commission and Corporate Governance

The Commission has embedded corporate governance across its structures, processes and culture, anchored in the Securities Act, the Public Finance Management framework and supporting rules and guidelines. The Board is composed of independent members nominated by designated

institutions and formally appointed by the Minister of Finance and National Planning, ensuring that diverse professional perspectives inform oversight while the Board itself remains institutionally independent of ministerial direction and control.

Section 8 of the Act clearly separates the governance roles of the Board from the executive responsibilities of Management, thereby avoiding overlap between policy, oversight and day-to-day administration. The Board sets the strategic direction, approves key policies and exercises oversight over licensing, enforcement, risk management and financial stewardship, while delegating implementation to the Chief Executive Officer and Board Committees in accordance with the Act. This governance model supports the three core objectives of securities regulation—protecting investors, ensuring that markets are fair, efficient and transparent, and reducing systemic risk—while reinforcing the principles of transparency, accountability, responsibility and fairness.

The role of IOSCO in Governance

As a member of the International Organization of Securities Commissions (IOSCO), the Commission aligns its governance practices with internationally recognised standards for securities regulators. IOSCO’s Objectives and Principles of Securities Regulation, investor protection, fair, efficient and transparent markets, and reduction of systemic risk, provide the benchmark for how the Commission structures its powers, independence, accountability and enforcement approach.

In keeping with these standards, the Commission maintains a Board Charter that sets out the responsibilities, conduct and operating procedures of the Board and its Members, including requirements on declarations of interest, restrictions on gift acceptance and a prohibition on trading in non-public, price-sensitive information. Complementing this, a Code of Conduct for staff prescribes expected behaviour in areas such as conflicts of interest, ethical decision-making and disclosure of gifts and benefits and requires employees to declare interests in matters in which they may have a personal stake. Senior management are further required to maintain membership in the Institute of Directors of Zambia, ensuring continuous exposure to evolving governance practices and reinforcing the Commission’s commitment to high standards of leadership and stewardship.



Good governance strengthens investor confidence, promotes regulatory independence, improves decision-making, enhances accountability and ultimately supports fair, orderly and efficient capital markets.

During 2025, the Board approved the 2026 Budget, approved the new organisational structure as highlighted under **Appendix II**, oversaw implementation of the Strategic Plan and oversaw implementation of the CMMP. The Board further approved key regulatory policies, oversaw financial performance and enterprise risk management, approved capital expenditure projects and oversaw capital formation, enforcement and licensing decisions through the relevant Committees.

Some of the governance improvements recorded in 2025 include the approval of new organisational structure, strengthened Board succession planning, improved Committee reporting, enhanced performance evaluation, expanded internal audit capability, strengthened risk oversight and continued compliance with IOSCO Principles.



Board Composition

Appointment

Section 8(2) and (3) of the Securities Act prescribes the Commission Board's composition to be eight Members. The Act requires the Commission's Chief Executive Officer to be an ex-officio Member of the Board and also empowers the Minister responsible for finance to appoint the other seven Members as non-executive Board Members from a nomination made by each of the following institutions:

- Bank of Zambia;

- b) Law Association of Zambia;
- c) Zambia Institute of Chartered Accountants;
- d) Zambia Chamber of Commerce and Industry;
- e) Ministry responsible for finance;
- f) Ministry responsible for justice;
- g) Pensions and Insurance Authority; and

The Act also designated the Commission’s Chief Executive Officer as an *ex-officio* Member of the Board. The Governance structure for the Commission is highlighted below:

SEC Commissioners in 2025

During the period under review, the following Commissioners appointed from institutions specified in the Securities Act, No. 41 of 2016 served as the Commission Board Members:



Board Chairperson (elected on 18th December 2025)

Mr. Paul Nkhoma

Mr. Nkhoma, a development economist, with a wealth of management, arbitration and insurance knowledge, is the elected Board Chairperson since December 2025. He previously was elected as the Board’s Vice-Chairperson in March 2022 and has been a Board Member since 10th March 2021 and had chaired the Market Transactions and the Staff and Remuneration Committees of the Board prior to his election as Board Chairperson. He is a founding member of Hollard Insurance, one of Zambia’s largest insurance companies and is now the Group Chief Executive Officer for Hollard Holdings Zambia. He represents the Zambia Chamber of Commerce and Industry (ZACCI) on the Board.



Board Vice-Chairperson
(elected on 18th December 2025)

Mr. Alick E. Mutambo

Mr. Mutambo has been with the Commission since May 2025, representing the Zambia Institute of Chartered Accountants on the Board and chairs the Commission’s Staff and Remuneration Committee. He is a Chartered Accountant, fellow of both the Zambia Institute of Chartered Accountants (ZICA) and the Association of Chartered Certified Accountants (ACCA). He also has a Masters in Business Administration from the East and Southern African Management Institute (ESAMI). His 38 years of experience includes external audit with KPMG, internal audit with ZESCO, Finance and Consultancy. He spent many years as Chief Finance Officer with NICO Insurance Zambia Limited and Nitrogen Chemicals of Zambia. Mr. Mutambo was a Board member of the Zambia State Insurance Corporation – General Insurance, and chaired the Audit and Risk Board Committee. He also chaired the Insurance Association of Zambia Finance Committee. He is currently doing consultancy work and is a Partner in HCL Chartered Accountants.

Ms. Sibajene Zulu

Ms. Zulu, a Chartered Accountant has been a SEC board Member since September, 2023. Ms. Zulu is the Market Conduct Manager-Pensions at the Pensions and Insurance Authority and she represents the Pensions and Insurance Authority on the Board. She chairs the Commission’s Compensation Fund Committee.



Commissioner

Ms. Mercy C. Munoni

Ms. Munoni, an Assistant Director with 13 years experience in financial sector policies and management, has been a SEC Board Member since April 2025 representing the Ministry of Finance and National Planning. She chairs the Commission’s Market Transactions Committee.



Commissioner

Mr. Mulenga Sholomo

Mr. Sholomo, an accomplished legal practitioner with over a decade of experience in corporate and commercial law, litigation, arbitration, contract management, compliance, and corporate governance, has been a SEC Board Member since December 2025 representing the Law Association of Zambia on the Board. He holds an LL.B and LL.M in Commercial Law from the University of Zambia, a Postgraduate Diploma in Legislative Drafting and a Certification in Advanced Prosecutions, both from the Zambia Institute of Advanced Legal Education (ZIALE). Further, he is a Member of the Chartered Institute of Arbitrators (MCI Arb) (UK). He Chairs the Risk and Audit Committee of the Board.



Ms. Diana Majokwe Shamabobo

Ms. Shamabobo, a legal practitioner, has been a SEC board Member since February, 2023. Ms. Shamabobo is the Principal Parliamentary Counsel at the Ministry of Justice and she represents the Ministry of Justice on the Board. She chairs the Commission’s Property Acquisition and Development Committee.



Commissioner

Ms. Brenda Mwanza

Ms. Mwanza is a development economist with a wealth of experience in macroeconomic and financial sector analysis, policy development, research, survey implementation and data analytics gained at the central bank. She became a member of the Securities and Exchange Commission Board in January 2022, representing the Bank of Zambia and chairs the Licensing Committee. Currently serving as Assistant Director- Financial Sector Development, at the Bank, her role entails coordinating the thematic areas of financial inclusion, financial sector development and collaboration with financial sector stakeholders in the public and private sector as well as international partners. She is also a Board member of the Microinsurance Technical Advisory Group. She chairs the Licensing Committee.



Commissioner

Mr. Phillip K. Chitalu

Mr. Chitalu, a chartered accountant, is the Chief Executive Officer of the Commission and is an *ex-officio* Member of the Commission Board.



Ex-officio Commissioner

SEC Senior Management in 2025



SEC Management in 2025

During the period under review, the following were the Commission's Management team:

Phillip K. Chitalu

Mr. Chitalu, a chartered accountant, has been with the Commission since August 2011. He has a bachelor's Degree of Accountancy from the Copperbelt University, a Fellow of the Association of Chartered and Certified Accountants (FCCA) and also Fellow of the Zambia Institute of Chartered Accountants (FZICA). Mr. Chitalu also holds a Master of Philosophy in Development Finance from Stellenbosch University, Cape Town, and further holds the International Global Certificate for Securities Regulators from the Harvard Law School/IOSCO.



Chief Executive Officer

Diana Sichone

Mrs. Sichone, a legal practitioner with over 19 years post-qualifying experience, has been with the Commission since July, 2014. She holds a Bachelor's degree in law from the University of Zambia and a Masters degree in Corporate and Commercial law from the University of Lusaka. Mrs Sichone holds the International Global Certificate for Securities Regulators from the Harvard Law School/IOSCO. She is also an advocate of the High Court for Zambia, a qualified legislative drafter, trained commercial Arbitrator and is passionate about sustainability.



Commission Secretary and Director
– Enforcement & Legal Services

Nonde Sichilima

Mr. Sichilima, a chartered accountant, has been with the Commission since September, 2015. Prior to his promotion to the position of Director – Market Supervision and Development in September 2023, Nonde's substantive appointment was as Manager – Supervision. He holds a BA (Hons) Degree in Accounting and Finance from Athlone Institute of Technology, Ireland. He is a member of the Zambia Institute of Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (FCCA).



Director – Market Supervision
and Development



Manager– Market Transactions & Investments

Bruce Mulenga

Mr. Mulenga has been with the Commission since February 2013. He holds a Bachelor of Science in Accounting from Hull university and BTEC National Diploma in Business and Finance from City College of Higher Education.



Manager – Finance

Mateyo Lungu

Mr. Lungu, a chartered accountant, has been with the Commission since December 2015. He is the holder of the Association of Chartered Certified Accountants (ACCA) qualification and the Certified Accounting Technician (CAT) from Chingola School of Accounts (ZAMIM-Chingola campus). He is a Fellow of the Association of Chartered Certified Accountants and an Associate member of the Zambia Institute of Chartered Accountants.



Acting Manager -Market Development

Sitali M. Mugala

Ms. Sitali Mwala Mugala is a capital markets professional with over 10 years of experience in market development, financial inclusion, investor education, market research, and stakeholder engagement. She leads investor education and financial literacy initiatives and has previously served in market research, product development, surveillance, and at Lusaka Securities Exchange Plc. Ms. Mugala holds a Master’s in Finance, a degree in Business Administration, and professional certifications in stockbroking and investment advisory, bringing strong expertise in financial education and policy support.



Manager – Financial Inclusion

Mubanga Kondolo

Mr. Kondolo has been with the Commission since 2017. He holds a BA (Hons) in Business and Management from University of Sunderland and various certifications from the Cambridge Centre for Alternative Finance, Chartered Institute for Securities and Investments, Toronto Centre and Zambia College of Pensions and Insurance Trust.



Manager – Law Reform and Enforcement

Chikasuka P. Jere

Ms. Jere is a legal practitioner and has been with the Securities and Exchange Commission since July 2022, where she contributes to law reform and enforcement within Zambia’s capital markets. She holds a Postgraduate Diploma in Legislative Drafting and an LLB from Oxford Brookes University, and is a Fellow of the Chartered Institute of Arbitrators. She has also completed executive training in capital markets development through the International Monetary Fund and Milken Institute, strengthening her expertise in market regulation and reform.



Acting Manager– Investigations and Enforcement

Eugene Chisenga

Mr. Chisenga has been with the Commission since June 2022. A seasoned fraud investigator and prosecutor with over 20 years’ experience, Eugene holds a Master of Business Laws, a Bachelor of Laws and Bachelor of Arts Degree from the University of Zambia, and an Advanced Certificate in Criminal Prosecutions from the National Institute of Public Administration. He is a Gazetted Public Prosecutor for offences under the Securities Act, Cap. 354 of the Laws of Zambia.



Manager – Market Supervision

Leah K. Simasiku

Leah has been with the Commission since 2013. She holds a Bachelor of Arts in Business Studies from Greenwich University, a Master of Business Administration (MBA) in Finance from the University of Lusaka, and a Graduate Certificate in Capital Markets from George Washington University. She has further enriched her knowledge through specialized training programs, including the Cambridge Sustainable Finance Course at Cambridge University, the Women’s Leadership Program at the Toronto Centre and also holds the International Global Certificate for Securities Regulators from Harvard Law School/IOSCO.



Manager – Market Supervision

Gertrude Buyungwe

Gertrude has been with the Commission since 2016. She holds a Bachelor of Science degree in Banking and Finance from Copperbelt University and a graduate certificate in Capital Markets from George Washington University’s MI-IFC program. She also holds the International Global Certificate for Securities Regulators from Harvard Law School/IOSCO.

Gender mainstreaming within the Board

Section 8(5) of the Act requires the Minister to ensure that at least fifty percent of each gender is nominated and appointed to the Commission Board, unless it is not practicable to do so. The Minister does not appoint any of the Members to be the Board Chairperson or Board Vice- Chairperson. Instead, the Act empowers the Members to elect, from amongst their number, a Chairperson and Vice- Chairperson of the Board. The Board was comprised of a majority of female representation with four of the seven nominated Members being female.

2025 Board Composition

As at the end of the period under review, the Commission Board consisted of the following Members:

Name of Board Member	Institution Represented	Position	Appointment/ Re- appointment date	Tenure of office
Mr. Paul Nkhoma	Zambia Chamber of Commerce and Industry	Chairperson	12.08.2024	2 nd
Mr. Alick E. Mutambo	Zambia Institute of Chartered Accountants	Vice- Chairperson	13.05.2025	1 st
Mrs. Mercy C. Munoni	Ministry responsible for Finance	Member	22.04.2025	1 st
Mrs. Sibajene Zulu	Pensions and Insurance Authority	Member	21.09.2023	1 st
Ms. Diana M. Shamabobo	Ministry responsible for justice	Member	02.02.2023	1 st
Mr. Mulenga Sholomo	Law Association of Zambia	Member	12.11.2025	1 st
Ms. Brenda Mwanza	Bank of Zambia	Member	17.02.2025	2 nd
Phillip K. Chitalu	SEC Chief Executive Officer	ex-officio Member	-	-

Changes to Board Composition

There were a number of changes to the Board's composition during the reporting period, reflecting routine rotation of institutional representatives in line with the Securities Act. Mrs. Ruth Mugala's tenure as Chairperson came to an end on 24th March 2025. Thereafter, Mr. Paul Nkhoma acted as Chairperson until his election as Board Chairperson on 18th December 2025.

Mr. Alick E. Mutambo took over the Zambia Institute of Chartered Accountants seat on the Board on 13th May 2025 and was subsequently elected Vice Chairperson on 18th December 2025. In the Ministry of Finance and National Planning portfolio, Mr. Mulele Mulele left the Board on 21st February 2025 following his appointment as Permanent Secretary for Economic Management and Finance and was succeeded by Mrs. Mercy C. Munoni, who was appointed Commissioner on 22nd April 2025. In addition, upon the expiry of the term of Dr Leonard N. Kalinde, who served as the Law Association of Zambia (LAZ) representative until 16th February 2025, LAZ nominated Mr. Mulenga Sholomo, who was appointed to the Board on 12th November 2025.

Board Meetings

The Board held four scheduled meetings in March, June, September and December 2025. In addition, the Board held Special Meetings in January, February, September and December, in order to deal with urgent regulatory matters. The following table highlights the Board attendance at the scheduled and special meetings:

NAME	DESIGNATION	10.01.25 Special Meeting	21.02.25 Special Meeting	13.03.25 Scheduled Meeting	12.06.25 Scheduled Meeting	01.09.25 Special Meeting	11.09.25 Scheduled Meeting	18.12.25 Scheduled Meeting	29.12.25 Special Meeting
Mrs. Ruth Mugala	Chairperson	✓	✓	✓					
Mr. Paul Nkhoma	Chairperson	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Alick E. Mutambo	V/Chairperson				✓	✓	✓	✓	✓
Mrs. Sibajene Zulu	Member	✓	✓	✓	✓	✓	✓	✗	✓
Mrs. Diana M. Shamabobo	Member	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mulele M. Mulele	Member	✓	✗						
Mrs. Mercy C. Munoni	Member				✓	✓	✓	✓	✓
Ms. Brenda Mwanza	Member	✓	✓	✓	✗	✓	✓	✓	✓
Dr. Leonard Kalinde	Member	✓	✗	✓					
Mr. Mulenga Sholomo	Member							✓	✓
Mr. Phillip K. Chitalu	Ex-officio Member	✗	✓	✓	✓	✓	✓	✗	✗
Ms. Diana S. Sichone (Acting CEO)	Ex-officio Member	✓	N/A	N/A	N/A	N/A	N/A	✓	✓

KEY:

✓ Meeting attended

✗ Meeting not attended and apology given

N/A Only able to attend in an acting capacity when CEO is not available

No longer on the Board

Not yet on the Board

Board Committees

To enhance the effective discharge of its statutory mandate, the Board has established Committees to exercise delegated authority and provide focused oversight in key areas of the Commission's operations. During the year under review, the Board operated through five standing Committees and one *ad hoc* Committee, namely:

- a) Compensation Fund Committee;
- b) Licensing Committee;
- c) Market Transactions Committee;
- d) Risk and Audit Committee;
- e) Staff and Remuneration Committee; and
- f) Property Acquisition and Development Committee (*ad hoc*).

Compensation Fund Committee

The Compensation Fund Committee is established pursuant to section 176 of the Securities Act and is responsible for administering the Compensation Fund established under the Act. The Committee oversees the management of the Fund, determines claims lodged against the Fund in accordance with the Securities (Compensation Fund) Regulations and reports to the Board on matters relating to its administration.

Licensing Committee

The Licensing Committee is established under section 13 of the Securities Act and exercises delegated

authority over licensing and enforcement matters relating to capital market operators and other regulated entities. The Committee considers applications for licences and approvals, oversees licensing policy implementation and reports to the Board on licensing and related regulatory matters, including enforcement issues arising from the licensing function.

Market Transactions Committee

The Market Transactions Committee is established under section 13 of the Securities Act and is responsible for considering applications relating to securities offerings and other market transactions requiring regulatory approval under Part VIII of the Act. The Committee also oversees matters relating to capital formation and market development and reports its decisions and recommendations to the Board.

Risk and Audit Committee

The Risk and Audit Committee is constituted under section 13 of the Securities Act and is further established in accordance with the Public Finance Management Act, No. 1 of 2018. The Committee provides oversight of the Commission's financial management, enterprise risk management, internal controls, governance processes and internal and external audit functions to ensure the integrity and effectiveness of the Commission's control environment.

Staff and Remuneration Committee

The Staff and Remuneration Committee is established under section 13 of the Securities Act and provides oversight of the Commission's human resource management framework. Its responsibilities include recruitment, remuneration, succession planning, staff development, performance management and policies aimed at attracting, developing and retaining a competent workforce.

Property Acquisition and Development Committee

The Property Acquisition and Development Committee is an *ad hoc* Committee established by the Board to oversee and provide strategic guidance on the Commission's property acquisition and infrastructure development programme. The Committee monitors project implementation and advises the Board on matters relating to property investment and development.

Delegation of Decision-Making Authority

The Securities Act, No. 41 of 2016 prescribes statutory timeframes within which certain regulatory decisions must be made. To facilitate timely and efficient decision-making, the Board has, pursuant to section 14 of the Act, delegated authority to designated Committees to determine specified time-sensitive matters.

Under these delegated powers, the Licensing Committee is authorised to approve applications relating to the grant of licences and other licensing matters, while the Market Transactions Committee determines applications relating to the registration of securities, capital-raising transactions and other market authorisations. This delegation enables the Commission to meet statutory timelines, improve regulatory responsiveness and enhance service delivery without awaiting the Board's scheduled quarterly meetings.

Other Statutory Committees

In addition to the Board Committees, the Commission operates statutory management committees established under various legislative and governance frameworks. One such committee is the Procurement Committee, which supports the procurement function established under the Public

Procurement Act. Although it is not a Board Committee, it plays an important governance role by promoting transparency, accountability, fairness and value for money in the Commission’s procurement processes.

Committee Membership

The composition of the Board Committees during the 2025 financial year was as follows:

COMMITTEE	MEMBERSHIP REPRESENTATION	MEMBER
LICENSING COMMITTEE	Board Member representing BoZ and Committee Chairperson	Ms. Brenda Mwanza
	Board Member representing LAZ	Mr. Mulenga Sholomo
	BoZ Representative	Mrs. Jean C. Kamanga
	ERB Representative	Mr. Alfred Mwila
	PIA Representative	Mr. Chishiba Kabungo
	Ex-officio Board Member	Mr. Phillip K. Chitalu
MARKET TRANSACTIONS COMMITTEE	Board Member representing ZICA and Committee Chairperson	Mr. Alick E. Mutambo
	Board Member representing MoF	Mrs. Mercy C. Munoni
	Board Member representing MoJ	Mrs. Diana M. Shamabobo
	CCPC Representative	Mrs. Beatrice P. Hamavhwa
	PACRA Representative	Mr. Benson Mpalo
	ZDA Representative	Mr. Albert Halwampa
	Ex-officio Board Member	Mr. Phillip K. Chitalu
STAFF AND REMUNERATION COMMITTEE	Board Member representing LAZ and Committee Chairperson	Mr. Mulenga Sholomo
	Board Member representing ZICA	Mr. Alick E. Mutambo
	Representative of Labour Commissioner	Mr. Givens Muntengwa
	LAZ Representative	Mr. Arnold Kaluba
	ZIHRM Representative	Ms. Adrine Muchimba
RISK AND AUDIT COMMITTEE	Board Member representing MoF and Committee Chairperson	Mrs. Mercy C. Munoni
	Board Member representing PIA	Mrs. Sibajene Zulu
	Board Member representing ZICA	Mr. Alick E. Mutambo
	MoF Representative	Mrs. Sandra Nakula Kawana
	LAZ Representative	Mr. Anthony Bwembya
COMPENSATION FUND COMMITTEE	Board Member representing PIA and Committee Chairperson	Ms. Sibajene Zulu
	BAZ Representative	Mr. Ignatius Kashoka
	CMAZ Representative	Ms. Tamara Bhuku
	ZACCI Representative	Mr. Phil Daka
	LAZ Representative	Mr. Yosa G. Yosa
	MoF Representative	Ms. Nkumbu N. Zyambo

PROCUREMENT COMMITTEE	SEC CEO and Committee Chairperson	Mr. Phillip Chitalu
	Procurement specialist	Mrs. Mary Banda
	Procurement specialist	Mr. Christopher S. Mwandu
	SEC Member	Mrs. Diana Sichone
	SEC Member	Mr. Nonde Sichilima
	SEC Member	Mr. Mateyo Lungu
	SEC Member	Mr. Godfrey Mwenda
PROPERTY ACQUISITION AND DEVELOPMENT COMMITTEE	Board Member representing MoJ and Committee Chairperson	Mrs. Diana M. Shamabobo
	Board Member representing BoZ	Ms. Brenda Mwanza
	LAZ Representative	Mr. Kevin Mweemba
	Ministry of Infrastructure, Housing and Urban Development Representative	Eng. Steven K. Makunku
	Zambia Institute of Architects representative	Mr. Griven Sikalumbi
	Show Society of Zambia Representative	Mr. Mukamba Mwiya

Governance and Risk Assurance

The Commission recognises audit and assurance as fundamental pillars of good corporate governance. An effective audit function enhances accountability, transparency and sound stewardship by providing independent assurance on the adequacy and effectiveness of governance, risk management and internal control systems.

The Board, through its Risk and Audit Committee, oversees the Commission’s financial reporting, enterprise risk management, internal control environment and audit functions. The Committee provides independent oversight to ensure that appropriate governance structures, financial management systems and assurance mechanisms are in place to safeguard the Commission’s assets, promote operational efficiency and support compliance with applicable laws, regulations and internal policies.

Internal Audit Function

The Commission maintains both internal and external audit arrangements as part of its integrated assurance framework.

In line with the Commission’s revised organisational structure, a dedicated Risk and Internal Audit Unit, headed by the Manager – Risk and Internal Audit, has been established to strengthen institutional capacity in enterprise risk management, internal assurance and governance oversight, and this function is to be operationalised in 2026.

During the 2025 financial year, the internal audit function continued to be delivered through an outsourced arrangement with an independent professional audit firm under the oversight of the Risk and Audit Committee. This arrangement ensured the continued provision of independent assurance while facilitating the transition towards a fully operational in-house internal audit function in the next reporting period.

The internal audit function provides independent and objective assurance and advisory services designed to evaluate and improve the effectiveness of the Commission’s governance, risk management and internal control processes. The function also supports Management and the Board by identifying opportunities to strengthen operational efficiency, compliance and organisational performance.

External Audit Function

In accordance with paragraph 10 of the First Schedule to the Securities Act, the Commission's external auditors are appointed by the Board, subject to the approval of the Minister responsible for Finance.

Following the completion of the previous audit engagement, the Commission appointed Mark Daniels Chartered Accountants as its external auditors for the three-year audit cycle covering the 2024 to 2026 financial years.

The external auditors conduct an independent audit of the Commission's annual financial statements and issue an audit opinion on whether the financial statements present fairly, in all material respects, the financial position and financial performance of the Commission in accordance with the applicable financial reporting framework. The audited financial statements form part of the Commission's Annual Report submitted to the Minister responsible for Finance.

Commission Secretary

Appointment of the Commission Secretary

The Commission Secretary is appointed by the Board pursuant to section 17 of the Securities Act and serves as the principal adviser to the Board on corporate governance, Board administration and statutory compliance. The Commission Secretary is responsible for managing the corporate secretarial affairs of the Commission under the general supervision of the Chief Executive Officer and performs such additional functions as may be assigned by the Board in accordance with the Act. During the year under review, the Director – Enforcement and Legal Services continued to serve as the Commission Secretary and discharged the statutory responsibilities of the office in accordance with section 17 of the Securities Act.

The Role of the Commission Secretary in Corporate Governance

The Commission Secretary plays a central role in promoting sound corporate governance and supporting the effective functioning of the Board and its Committees. The office provides independent advice to the Board on governance best practices, statutory obligations and compliance with applicable legislation, the Board Charter and other governance instruments.

The Commission Secretary coordinates the activities of the Board and its Committees by facilitating meetings, ensuring the timely circulation of Board papers, maintaining accurate records of proceedings and monitoring the implementation of Board resolutions. The office also provides guidance on governance developments and supports the Board in discharging its fiduciary and oversight responsibilities. By serving as the principal interface between the Board, Management and other stakeholders, the Commission Secretary contributes significantly to effective decision-making, institutional accountability and the maintenance of high standards of corporate governance throughout the Commission.

Board Performance Self-Evaluation

Performance Evaluation Framework

The Board is committed to maintaining high standards of corporate governance through regular assessments of its effectiveness. In accordance with Clause 11 of the Commission's Board Charter, the Board undertakes an annual evaluation of the performance of the Board, its Committees and individual Board Members as part of its governance improvement framework.

The annual performance evaluation provides an opportunity for the Board to assess the effectiveness of its governance structures, decision-making processes and oversight responsibilities, while identifying opportunities for continuous improvement. The exercise promotes accountability, transparency and Board effectiveness by encouraging Members to reflect objectively on the Board's performance and governance practices. The evaluation is conducted using a structured questionnaire approved by the Board and administered confidentially to all Board Members. Responses are independently collated and analysed before the findings are presented to the Board for discussion and consideration.

During the 2025 assessment, responses were received from seven of the eight Board Members. One Member did not participate, having ceased to represent the nominating institution before the evaluation was undertaken. The assessment covered the following eight governance dimensions: Board Activity; Mission and Strategic Purpose; Governance and Partnership Alignment; Board Organisation; Administration and Staff Support; Time and Conduct of Meetings; Recording and Minute Taking; and Board Membership.

2025 BOARD PERFORMANCE RESULTS

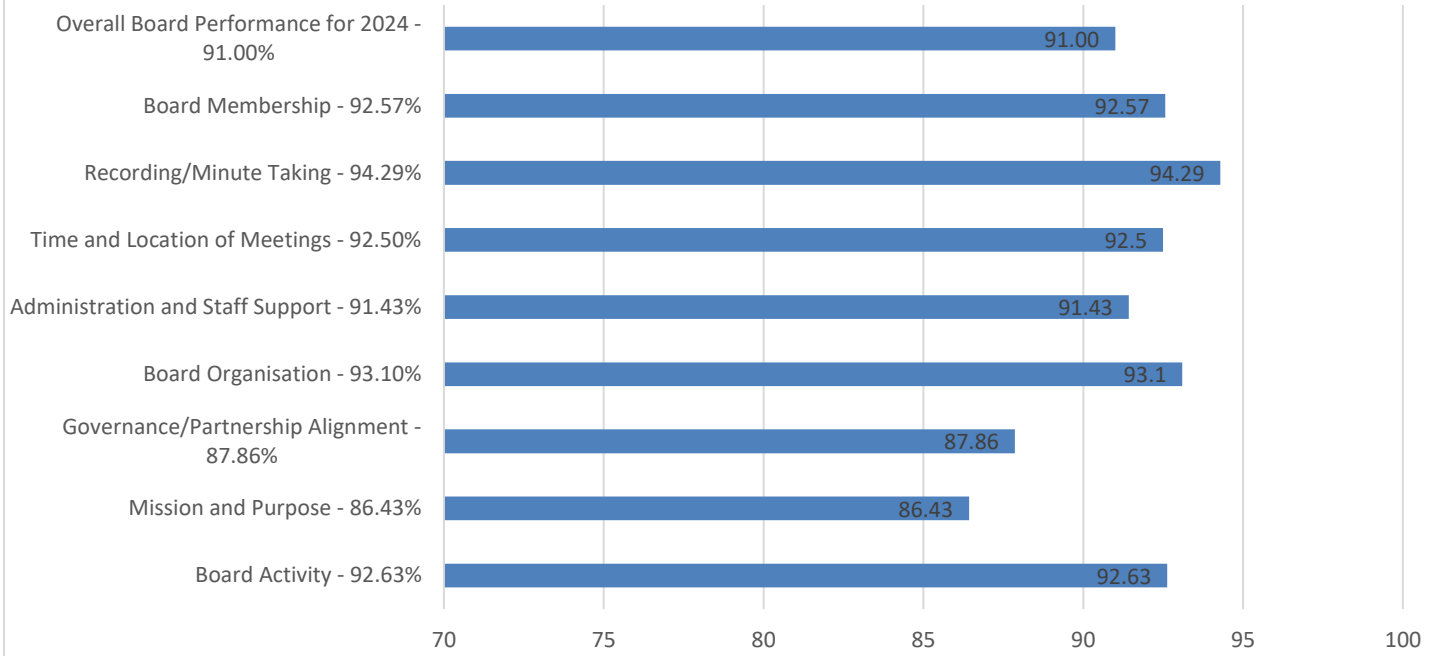
The Board recorded an overall performance score of 91% during the 2025 assessment compared with 93.59% achieved in 2024. Although this represents a modest decline of 2.59 percentage points, the results confirm that the Board continues to operate at a high level of effectiveness and maintains sound governance practices.

Over the past decade, Board performance has consistently exceeded 80%, demonstrating a mature governance framework supported by effective oversight, strong Board administration and active Member participation. While six of the eight assessment areas recorded marginal reductions compared with 2024, the Board remained effective in discharging its statutory responsibilities and providing strategic leadership to the Commission.

The highest-rated assessment area was Recording and Minute Taking, which achieved 94%, reflecting continued confidence in the quality of Board administration and governance support. Governance and Partnership Alignment recorded the lowest rating at 87%, indicating opportunities to further strengthen strategic alignment and stakeholder engagement.

The Figure below illustrates the Board's performance trend over the period 2016 to 2025, while the next Table provides the detailed comparative results:

2025 Overall Board Performance



Comparative of Board Overall Performance for 2016 to 2025



BOARD COMMITTEE PERFORMANCE

The Board discharged its oversight responsibilities through five standing Committees and one *ad hoc* Committee during the year under review. Each Committee undertook a self-assessment using a standardised methodology aligned to the Board evaluation framework.

The Committee assessments measured performance across the following seven governance dimensions: Purpose of the Committee; Support provided to the Committee; Administration and Staff Support; Time and Conduct of Meetings; Attendance; Recording and Minute Taking; and Committee Membership.

Overall Committee Performance

Overall, the Board Committees continued to perform effectively during 2025, with four of the six Committees recording performance scores above 90%. The assessments indicate that Committee governance structures remain effective and continue to support the Board in the discharge of its statutory oversight responsibilities.

While some Committees recorded marginal reductions compared with the previous year, these did not materially affect their overall effectiveness. The evaluations identified opportunities to strengthen attendance, committee support arrangements and strategic oversight in specific areas, which will inform governance improvement initiatives during 2026.

The following table 2 provides a comparative summary of the performance of all Board Committees.

Overall Board Committee Performance (2017–2025)

Committee	2025	2024	Trend
Compensation Fund Committee	94%	95.67%	▼ Marginal decline
Licensing Committee	85%	93.92%	▼ Decline
Market Transactions Committee	93%	92.24%	▲ Improvement
Risk and Audit Committee	94%	95.43%	▼ Marginal decline
Staff and Remuneration Committee	85%	90.92%	▼ Decline
Property Acquisition and Development Committee	95%	94.28%	▲ Improvement

Committee Highlights

Compensation Fund Committee

The Compensation Fund Committee continued to perform strongly, achieving an overall performance rating of 94%. The Committee recorded particularly high ratings for Committee Membership and Recording and Minute Taking, demonstrating effective governance and sound administration. Opportunities for improvement relate primarily to attendance and Committee support arrangements.

Licensing Committee

The Licensing Committee recorded an overall performance score of 85%. Although lower than the previous year's assessment, the Committee continued to discharge its delegated licensing and enforcement responsibilities effectively. Attendance represented the principal area identified for improvement.

Market Transactions Committee

The Market Transactions Committee recorded a strong performance rating of 93%, representing a slight improvement over the previous year. The Committee maintained excellent governance standards, achieving a perfect score for Recording and Minute Taking.

Risk and Audit Committee

The Risk and Audit Committee achieved an overall performance rating of 94%, confirming its continued effectiveness in overseeing financial reporting, internal controls and risk management. The evaluation

identified opportunities to further strengthen strategic oversight relating to the Committee’s purpose and mandate.

Staff and Remuneration Committee

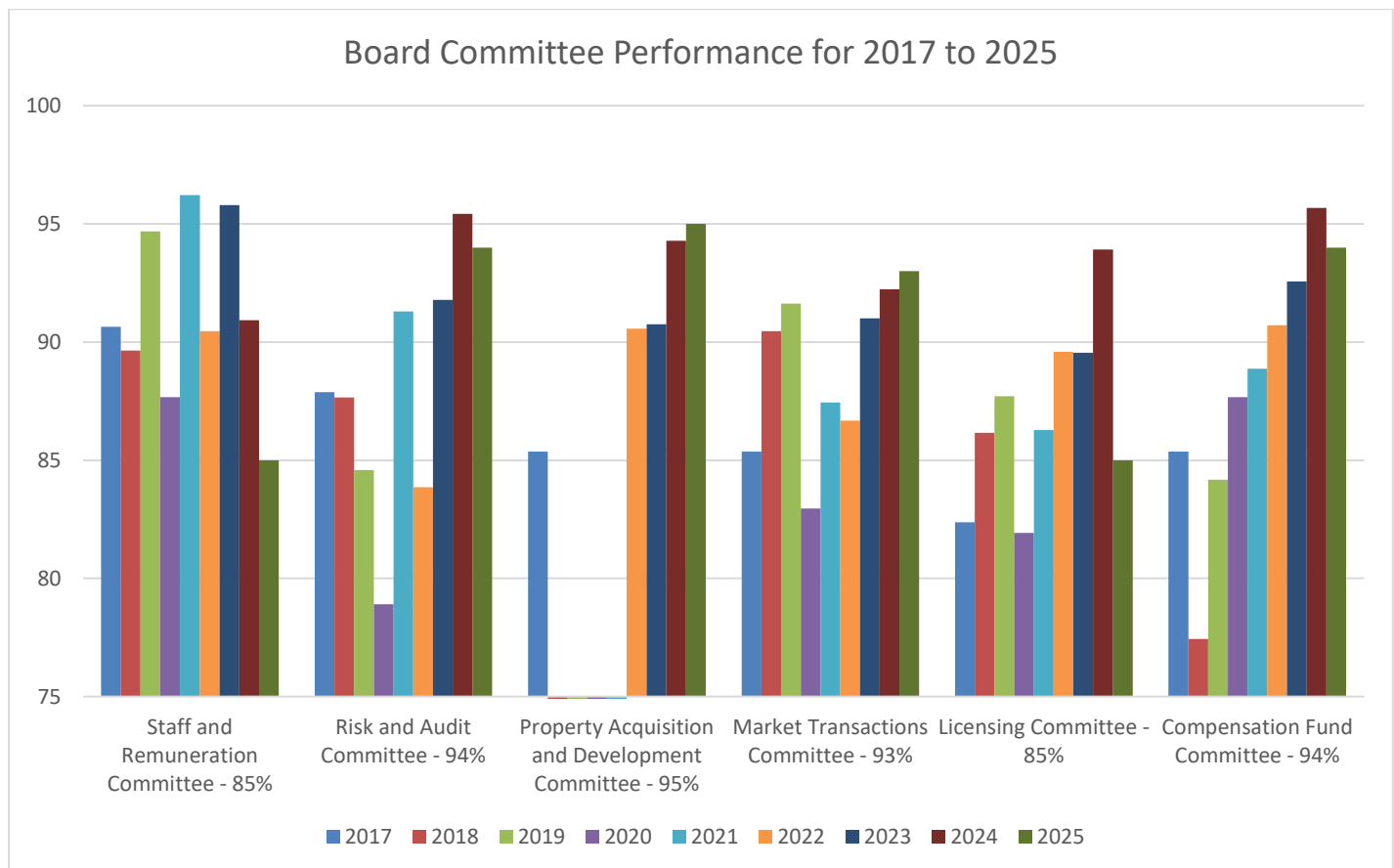
The Staff and Remuneration Committee recorded an overall performance score of 85%. While the Committee continued to provide effective oversight of human resource matters, the assessment identified Committee support arrangements as the principal area requiring improvement.

Property Acquisition and Development Committee

The Property Acquisition and Development Committee achieved the highest overall Committee performance during the year, recording 95%. The Committee continued to strengthen its oversight of the Commission’s property development programme following the resumption of its activities in 2022.

Comparative Committee Performance

The comparative performance of each Board Committee over the period 2017–2025 is presented in the following chart:



Note: The Property Acquisition and Development Committee is an ad hoc Committee of the Board. The Committee did not meet between 2019 and 2021 due to financial constraints faced by the Commission that necessitated the suspension of the Committee’s activities but resumed regular meetings from 2022 following the commencement of the Commission’s property development programme.

Governance Improvement Priorities

The 2025 evaluation identified a number of opportunities to further strengthen the Commission's governance framework. During 2026, the Board will prioritise: the strengthening of Committee effectiveness and attendance; enhancing strategic governance and stakeholder alignment; continued Board and Committee capacity development; strengthening succession planning and governance continuity; and embedding governance best practices across all Board Committees.

The Board is satisfied that the Commission maintained an effective governance framework throughout the 2025 financial year. The governance arrangements in place supported sound decision-making, prudent financial stewardship, regulatory independence and effective oversight of Management. The annual performance evaluation confirms that the Board and its Committees continue to operate effectively and remain committed to continuous governance improvement. The Board will continue implementing targeted governance enhancement initiatives to strengthen institutional effectiveness and support the Commission's strategic objectives.

CONCLUSION

The Board remains satisfied that the Commission maintained a robust and effective corporate governance framework throughout the 2025 financial year. The governance structures, policies and oversight mechanisms in place continued to support sound strategic leadership, prudent financial management, effective risk oversight and regulatory independence, while reinforcing the Commission's commitment to accountability, transparency, integrity and ethical conduct.

During the year under review, the Board and its Committees discharged their respective responsibilities diligently, providing effective oversight of Management and ensuring that the Commission continued to operate in accordance with the Securities Act, the Public Finance Management Act and other applicable legal and regulatory requirements. The annual Board and Committee performance evaluations further demonstrated a strong governance culture characterised by active engagement, informed decision-making and a commitment to continuous improvement. The Commission also continued to strengthen its governance architecture through enhanced risk management, internal audit and assurance arrangements, sound financial oversight and effective corporate secretarial support. These measures have contributed to improving institutional resilience, operational effectiveness and stakeholder confidence in the Commission's ability to fulfil its statutory mandate.

While the Board recognises that opportunities remain to further enhance governance effectiveness, particularly in the areas of Board development, Committee effectiveness and succession planning, it is satisfied that the governance framework remains fit for purpose and responsive to the evolving regulatory environment. The Board remains committed to continuously reviewing and strengthening its governance practices in line with international best practice and the expectations of stakeholders.

Looking ahead, the Commission will continue to embed a culture of good governance across all aspects of its operations as it implements its strategic priorities, promotes the development of fair, efficient and transparent capital markets, protects investors and contributes to Zambia's sustainable economic growth and financial sector development.

Diana S. Sichone (Mrs.)
COMMISSION SECRETARY

Report on regulatory and operational efficiency

(Pursuant to section 11(3) of the First Schedule to the Securities Act, No. 41 of 2016)



2025 Report on Regulatory and Operational Efficiency

(Pursuant to section 11(3) of the First Schedule to the Securities Act, No. 41 of 2016)

AT A GLANCE – 2025



INVESTOR ASSETS
REGULATED

ZMW338
billion

▲ 51%

(2024: ZMW224.3 billion)



DIRECT INVESTORS

1.76
million

▲ 13.4%

of adult population



SAVINGS MOBILISED

ZMW338
billion

▲ 51%

Increase from 2024



RISK-BASED
SUPERVISION

**Fully
Implemented**

Targeted • Proactive • Effective



ENFORCEMENT
ACTIONS

**Timely
Interventions**

Protecting market integrity
and investors



INTERNALLY
GENERATED INCOME

95%

▲ 2 pts

(2024: 93%)

1. EFFECTIVENESS OF REGULATORY OVERSIGHT



Strong Governance Oversight

The Board provides strategic direction, approves policy and oversees the administrative affairs of the Commission.



Delegated Authority to Committees

In line with sections 13 & 14 of the Securities Act, decision-making authority is delegated to Committees for timely regulatory decisions on licensing, securities registration and approvals.



Risk-Based Supervision

Resources are directed to high-risk institutions and activities, enabling early risk identification, stronger compliance and market discipline.



Enforcement of the Law

The Commission exercised its statutory powers including sanctions, directives and enforcement proceedings to preserve market integrity and protect investors.

2. OPERATIONAL EFFICIENCY AND COST EFFECTIVENESS



Prudent management of financial and operational resources aligned to approved budgets and strategic priorities.



Sound financial management, prudent expenditure and effective internal controls.



Digitalisation of regulatory processes to improve speed, transparency and service delivery.



Enhanced supervisory methodologies and strengthened institutional governance arrangements.

3. PUBLIC VALUE AND COST TO THE NATION IN THE ABSENCE OF THE COMMISSION



Regulates ~ZMW338 billion in investor assets, protecting the financial interests of over 1.76 million direct investors and millions more indirectly.



Safeguards investors from market abuse, fraud, insider trading, manipulation and inadequate disclosure.



Maintains investor confidence, reduces cost of capital and strengthens the ability to mobilise long-term savings.



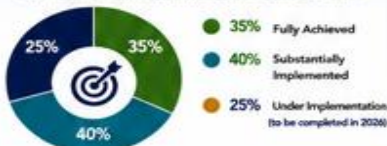
Promotes transparent markets, enforces disclosure obligations and ensures compliance with securities legislation.



Contributes to financial stability, sustainable economic growth and national development.

4. STRATEGIC PERFORMANCE AND INSTITUTIONAL EFFICIENCY

2025 KPI PERFORMANCE (13 BOARD-APPROVED KPIs)



KEY ACHIEVEMENTS IN 2025

- Strengthened funding model and financial sustainability
- Enhanced investor protection and market integrity
- Improved regulatory effectiveness and supervision
- Expanded stakeholder engagement and transparency
- Modernised internal business processes

STRATEGIC PRIORITIES FOR CONTINUED FOCUS

- Implementation of Internal Controls over Financial Reporting (ICOFR)
- Further digital transformation initiatives
- Development of permanent office infrastructure

5. STAKEHOLDER AND MARKET RELATIONSHIPS



Strong Collaboration

Regular engagement with licensed market operators through consultative meetings, technical working groups and industry forums, including with CMAZ.



Stakeholder Engagement

Monthly Town Hall Meetings to promote regulatory transparency, investor awareness and open dialogue on emerging market developments.



Working with Market Infrastructure

Constructive relationships with exchanges, clearing and settlement facilities and other financial sector regulators to support coordinated supervision and market development.



International Partnerships

Leveraging strategic partnerships and technical assistance through programmes such as Toronto Centre's Risk-Based Supervision initiative and other regional and international cooperation.

6. CURRENT AND FUTURE INSTITUTIONAL CAPABILITIES



Human Capital Development

Significant investment in staff development across risk-based supervision, sustainable finance, fintech, market conduct, leadership and emerging regulatory disciplines.



Building Regulatory Capability

Enhancing ability to regulate sophisticated financial products, respond to emerging risks and align with international standards and best practice.



Technology and innovation

Investing in technology and innovation to improve efficiency, data analytics, market surveillance and regulatory oversight.



Looking Ahead

Continued investment in talent, technology, regulatory innovation and infrastructure to ensure a modern, agile and effective capital markets regulator for Zambia's future.



CONCLUSION

The Commission continued to discharge its regulatory mandate efficiently and effectively in 2025. Through sound governance, prudent financial management, risk-based supervision, effective stakeholder engagement and sustained institutional capacity building, the Commission strengthened investor protection while supporting the continued growth and integrity of Zambia's capital markets.



STRONG GOVERNANCE

Accountable, independent and committed to public interest



EFFICIENT OPERATIONS

Prudent resource use, innovation and continuous improvement



SUSTAINABLE IMPACT

Protecting investors, building markets and driving economic growth

“

PROTECTING INVESTORS TODAY. BUILDING TRUSTED MARKETS FOR TOMORROW.

”

All comparisons are against 2024 figures.

Introduction

Section 11(3) of the First Schedule to the Securities Act, No. 41 of 2016 requires the Commission to report annually on its regulatory and operational efficiency. This statutory report provides an assessment of the Commission's effectiveness in discharging its regulatory responsibilities, the efficiency of its operations and its institutional capacity to fulfil its mandate.

As Zambia's capital markets regulator, the Commission is entrusted with safeguarding investor interests, promoting fair, efficient and transparent capital markets and supporting sustainable market development. The report therefore demonstrates how the Commission has utilised its regulatory powers, institutional resources and governance arrangements to deliver measurable public value during the 2025 financial year.

The report addresses the statutory reporting requirements relating to:

- a) implementation and effectiveness of regulatory oversight;
- b) operational efficiencies achieved through the Commission's activities;
- c) actual and projected cost savings to Government;
- d) the public value derived from maintaining an independent securities regulator;
- e) relationships with market infrastructure institutions and capital market operators; and
- f) the Commission's current and future institutional capabilities.

Effectiveness of Regulatory Oversight

The Commission continued to discharge its statutory responsibilities effectively during 2025 through a combination of market supervision, licensing, enforcement, policy development, market surveillance and investor protection initiatives.

Governance oversight remained firmly anchored in the Board, which exercises its statutory responsibilities under the Securities Act by providing strategic direction, approving policy and overseeing the administrative affairs of the Commission. To enhance regulatory responsiveness and improve operational efficiency, the Board continued to delegate specified decision-making authority to its Committees in accordance with sections 13 and 14 of the Securities Act. This delegation enabled timely regulatory decisions, particularly in relation to licensing, registration of securities and other market approvals.

The Commission further strengthened regulatory effectiveness through the continued implementation of its Risk-Based Supervision framework, enabling supervisory resources to be directed towards institutions and activities presenting the highest regulatory risk. This proactive supervisory approach has enhanced early risk identification, strengthened market discipline and promoted greater compliance with the legal and regulatory framework.

During the year under review, the Commission also exercised its enforcement powers, where necessary, to preserve market integrity and protect investors. Regulatory interventions included supervisory actions, administrative sanctions, directives, enforcement proceedings and other remedial measures undertaken in accordance with the Securities Act.

Operational Efficiency and Cost Effectiveness

The Commission continued to manage its financial and operational resources prudently while pursuing the objectives set out in the 2022–2026 Strategic Plan and the Capital Markets Master Plan.

Resource utilisation remained aligned to approved budgets and strategic priorities, reflecting the Board's commitment to sound financial management, prudent expenditure and effective internal controls. Through continued improvements in governance, business processes and risk management, the Commission maintained operational efficiency while expanding regulatory oversight and market development initiatives.

The Commission also continued implementing initiatives aimed at improving organisational effectiveness, including digitalisation of regulatory processes, enhancement of supervisory methodologies and strengthening of institutional governance arrangements.

Public Value and Cost to the Nation in the Absence of the Commission

The Commission's regulatory oversight continues to generate significant economic and public value by safeguarding investor confidence and supporting the orderly development of Zambia's capital markets.

As at 31 December 2025, the Commission regulated approximately ZMW338 billion in investor assets, representing an increase of approximately 51% from ZMW224.3 billion recorded at the end of 2024. These assets comprised listed equities, corporate bonds, collective investment schemes and other regulated securities and were held directly by approximately 1.76 million investors, representing about 13.4% of Zambia's adult population. Through pension funds, insurance companies and other institutional investors, the Commission's regulatory oversight indirectly protects the financial interests of many additional Zambians.

Without an independent securities regulator, investors would be exposed to significantly higher risks of market abuse, fraud, insider trading, market manipulation and inadequate disclosure by issuers. Such risks would undermine investor confidence, reduce market participation, increase the cost of capital and weaken the capital market's ability to mobilise long-term savings for national economic development.

By promoting transparent markets, enforcing disclosure obligations and ensuring compliance with securities legislation, the Commission contributes to financial stability, investor confidence and sustainable economic growth.

Strategic Performance and Institutional Efficiency

During 2025, the Commission continued implementing the strategic initiatives approved under its 2022–2026 Strategic Plan.

Of the thirteen Board-approved Key Performance Indicators (KPIs):

- 35% were fully achieved;
- 40% were substantially implemented; and
- 25% remained under implementation and are expected to be completed during 2026.

The Commission made significant progress in strengthening its funding model, enhancing investor protection, improving regulatory effectiveness, expanding stakeholder engagement and modernising internal business processes. These achievements demonstrate continued progress towards building a more responsive, resilient and sustainable capital market regulator.

The Commission also identified strategic priorities requiring continued attention, particularly the implementation of Internal Controls over Financial Reporting (ICOFR), further digital transformation initiatives and the development of permanent office infrastructure to enhance long-term institutional efficiency.

Stakeholder and Market Relationships

The Commission continued to maintain strong collaborative relationships with capital market operators, market infrastructure institutions and other stakeholders throughout 2025.

Engagement with licensed market operators was undertaken through regular consultative meetings, technical working groups and industry forums, including collaboration with the Capital Markets Association of Zambia (CMAZ). The Commission also continued hosting monthly Town Hall Meetings to promote regulatory transparency, strengthen stakeholder engagement and enhance investor awareness through open dialogue on emerging market developments.

The Commission maintained constructive working relationships with securities exchanges, clearing and settlement facilities and other financial sector regulators to support coordinated supervision and the continued development of Zambia's capital markets.

Internationally, the Commission continued to leverage strategic partnerships with cooperating institutions to strengthen institutional capacity. During the year, technical assistance and capacity-building support continued through programmes such as the Toronto Centre's Risk-Based Supervision initiative, as well as other regional and international cooperation arrangements.

Current and Future Institutional Capabilities

The Commission continued strengthening its institutional capacity to respond to an increasingly dynamic capital markets environment.

Implementation of the Capital Markets Master Plan and the 2022–2026 Strategic Plan remained central to enhancing regulatory capability, operational effectiveness and market development. During the year, the Commission invested significantly in staff development through specialised training programmes covering risk-based supervision, sustainable finance, financial technology, market conduct, leadership and other emerging regulatory disciplines.

These initiatives have enhanced the Commission's ability to regulate increasingly sophisticated financial products, respond proactively to emerging risks and align its regulatory practices with international standards and best practice.

Looking ahead, the Commission will continue investing in human capital, technology, regulatory innovation and institutional infrastructure to ensure that it remains a modern, agile and effective capital markets regulator capable of supporting Zambia's long-term economic development.

Conclusion

The Commission continued to discharge its regulatory mandate efficiently and effectively throughout the 2025 financial year. Through sound governance, prudent financial management, risk-based supervision, effective stakeholder engagement and sustained institutional capacity building, the

Commission strengthened investor protection while supporting the continued growth and integrity of Zambia's capital markets.

Although opportunities remain to further enhance operational efficiency, digital transformation and institutional capacity, the Commission remains well positioned to deliver its statutory mandate and to contribute meaningfully to financial sector development, capital formation and sustainable economic growth.

Phillip K. Chitalu
CHIEF EXECUTIVE OFFICER

Operational Activities

The Commission continued to implement its dual statutory mandate of investor protection and capital market development through its operational Directorates during the 2025 financial year. These activities were undertaken in furtherance of the Commission's strategic objective of fostering fair, efficient and transparent capital markets that facilitate capital formation, support economic growth and contribute to national development.

In delivering its investor protection mandate, the Commission continued to regulate and supervise Zambia's capital markets by ensuring that securities offered to the public were appropriately registered, capital market operators were duly licensed and authorised, and market participants complied with the Securities Act and other applicable legal and regulatory requirements. Through ongoing supervision, market surveillance and enforcement, the Commission sought to maintain market integrity, promote investor confidence and mitigate systemic and conduct risks within the capital markets.

The Commission's operational responsibilities are delivered through three core Directorates, each performing complementary functions that collectively support the achievement of the Commission's strategic objectives:

- Directorate of Market Supervision and Development (DMSD) – responsible for market supervision, licensing, market development, policy implementation, investor education and the promotion of new capital market products and initiatives.
- Directorate of Enforcement and Legal Services (DELS) – responsible for legal advisory services, regulatory enforcement, investigations, litigation, legislative reform, corporate governance, Board secretariat functions and ensuring compliance with the legal and regulatory framework.
- Directorate of Finance and Administration (DFA) – responsible for corporate services, including finance, human resources, information technology, procurement, administration and institutional support services. The Directorate also houses the Market Transactions Unit, which coordinates the registration of securities and facilitates the processing of capital-raising transactions and other market approvals.

It should be noted that the newly approved organisational structure, which is to be implemented in 2026, has made some changes to the Directorates and this will be highlighted in the next reporting period.

The activities undertaken by each Directorate during the year are summarised in the sections that follow.

MARKET SUPERVISION

Universe of Capital Markets Operators

The Commission exercises regulatory oversight of the following categories of market participants, conferred by their status as licensed, authorised, recognised, or by virtue of having their securities registered with the Commission.

Capital Markets regulatory universe



Comprehensive contact information for the aforementioned capital market operators is provided in **Appendix IV**.

Operationalisation of Risk-Based Supervision (RBS)

Throughout 2025, the Commission sustained the comprehensive implementation of the Risk-Based Supervision (RBS) framework across all Capital Market Operators (CMOs). The efforts transitioned from initial rollout phase to institutionalizing RBS within routine supervisory activities, ensuring that supervisory engagement is proportionate, forward-looking, and dynamic in response to sectoral risk profiles.

Key developments in 2025 included:

- Completion of full risk profiling of all licensed CMOs.
- Refinement of risk scoring methodologies based on supervisory experience.
- Increased use of data analytics to support risk identification.
- Enhanced supervisory coordination across departments to support thematic reviews.

Risk Profiling Outcomes and Sector Risk Trends

In 2025, the Commission conducted annual risk assessments across all capital market intermediaries' clusters, identifying key sector-wide risk themes including:

- Governance and internal control weaknesses in smaller CMOs.
- Capital adequacy pressure among certain dealer categories.
- Operational and reporting compliance gaps among repeat offenders.
- Increased technology and cybersecurity risk exposure.
- Concentration risk in specific market segments.

Supervisory Activities Undertaken

Under the RBS framework, supervisory work undertaken included:

- Off-site reviews of periodic regulatory returns and financial submissions.
- Thematic inspections focused on:
 - Governance and board oversight effectiveness.
 - Capital adequacy monitoring.
 - Client asset segregation and safeguarding.
- On-site inspections for high-risk CMOs.
- Follow-up reviews to assess implementation of corrective action plans.

Supervisory Letters and Enforcement Linkages

During the period under review, supervisory findings were communicated through formal Supervisory Letters and interim letters addressed to Boards of Directors and senior management respectively. These letters contained in them the deficiencies that were identified in the supervisory activities of the Commission. In general, the letters which communicated deficiencies had the below points outlined:

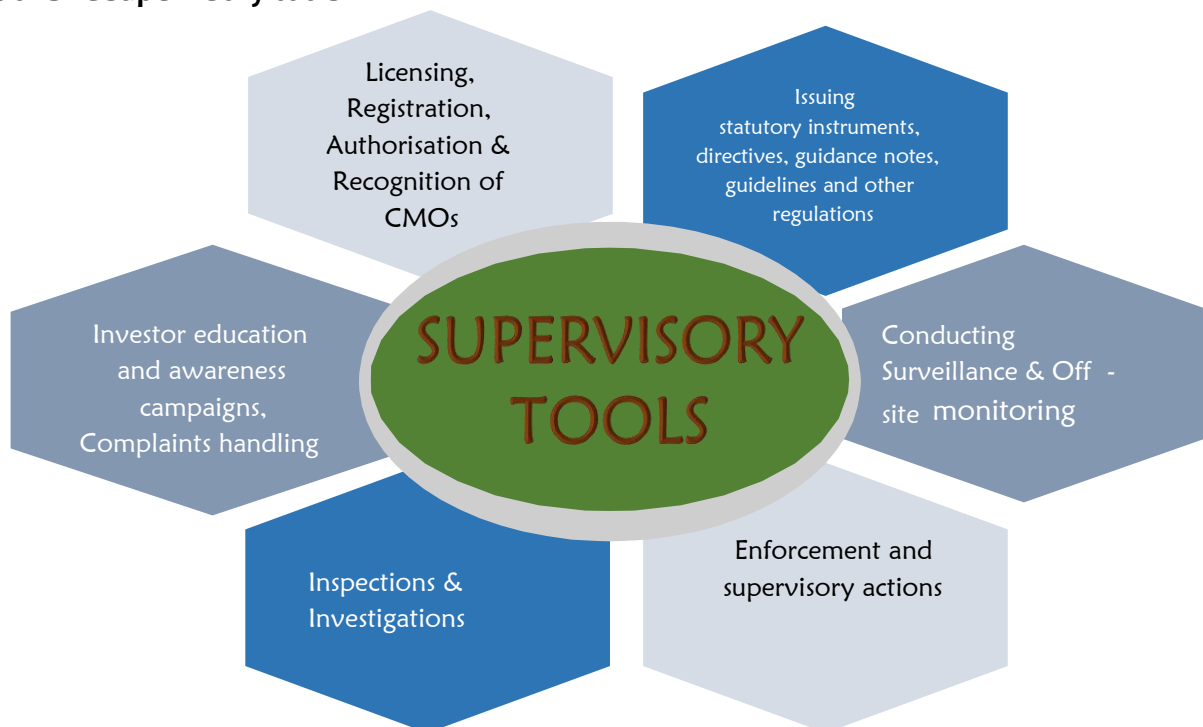
- Time-bound remediation plans were required.
- Enhanced monitoring was implemented.
- Escalation measures were applied where corrective actions were not adequately addressed.

Strengthening Supervisory Tools

The Commission enhanced its supervisory toolkit through:

- Refinement of risk assessment templates.
- Integration of automated return analysis tools.
- Standardisation of inspection manuals and procedures.
- Further capacity-building for supervisory staff in risk assessment techniques.

List of SEC supervisory tools



Market Supervision core activities



Ongoing monitoring continued to be anchored on regulatory returns submitted by CMOs. In 2025:

- Submission rates improved modestly compared to 2024;
- However, timeliness challenges persisted among a subset of repeat offenders;
- Capital adequacy monitoring of dealers remained a key supervisory priority;
- Fund managers' quarterly reporting quality improved following targeted supervisory engagement.

The Commission continued to utilize:

- Audited financial statements;
- Separate auditors' reports for Dealers and Investment Advisers;
- Investment Advisers Return
- Monthly Capital Adequacy Reports;
- Fund manager monthly and quarterly returns;
- Issuer Internal Controls Over Financial Reporting (ICOFR) submissions;
- Self-Assessment Questionnaires (SAQs).

Data collected from these sources informed risk scoring adjustments and supervisory planning decisions.

Issuers of Registered Securities

The Commission's focus of supervision is to ensure that issuers of registered securities provide adequate information and disclosures to investors, which information is relied upon to make investment decisions. Full disclosure to all investors ensures that there is no information asymmetry which is detrimental to the commission's mandate to ensure transparent, orderly and efficient capital markets.

As of 31st December 2025, the number of issuers stood at 47, with 51 instruments having been registered. Notably, the Market had its first ever issuance under the alternative market in December.

Number of Issuers

Class of securities	Number of Issuers with Securities Registered	Number of Securities Listed/Quoted (or Outstanding notes)
Listed equities (Main Board)	22	22
Listed equities (Alt-Market)	1	1
Quoted equities*	13	11
Corporate Bonds**	11	17
Total Number of issuers/ Securities	47	51

Notes:

* Quoted equities: 13 entities have securities registered with the SEC. However, only 11 securities are quoted on LuSE as the other 2 entities have not formally applied for quotation.

** Corporate Bonds: 11 issuers have registered bond programmes with the SEC. Of these, 8 have outstanding notes while 3 issuers do not have outstanding notes. Of the 8 issuers with outstanding notes, 5 issuers have listed notes on the LuSE amounting to 17 listed notes, while the other 3 issuer's notes are not listed.

Internal controls over financial reporting (“ICOFR”)

In a bid to enhance financial reporting among issuers, the Commission continued to encourage the implementation of appropriate internal control frameworks through the Securities (Internal Control Over Financial Reporting (“ICOFR”)) Guidelines issued in 2019. The Guidelines were implemented under a five (5) year transition period from 2019 to 2023, with the first year of full implementation commencing in 2024.




Following stakeholder concerns raised during engagements held in the transition period, the SEC-ZICA Working Group continued to provide technical input aimed at strengthening the regulatory framework and ensuring that the Guidelines remain practical and responsive to the operational realities of issuers. In this regard, the revised ICOFR Guidelines were subsequently issued in November 2024 through publication in the Government Gazette.

During the year ending 31st December 2025, the Commission continued to monitor the implementation of the 2024 ICOFR Guidelines and provide guidance to issuers to support implementation.

Collective Investment Schemes

Collective Investment Schemes (CISs) remain an important focus of market supervision because they are particularly well-suited to promoting financial inclusion among Zambians. The sector continues to experience strong growth, with Assets Under Management (AUM) rising year on year, reflecting increasing investor participation in CIS products. Below is a snapshot of the CIS industry as at December 2025.

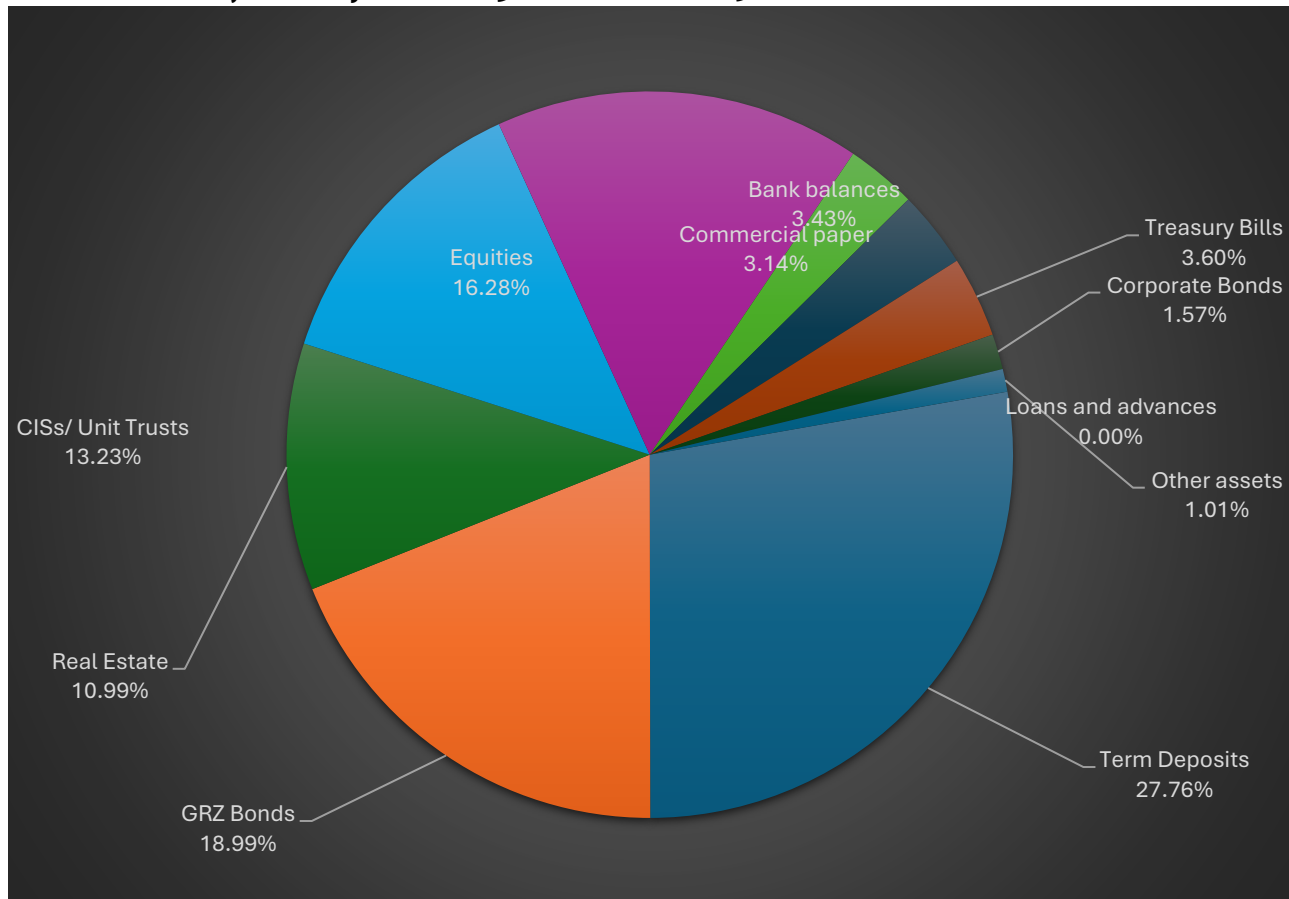
Snapshot of the Collective Investment Schemes

Collective Investment Schemes A SNAPSHOT AS AT DECEMBER 2025	<ul style="list-style-type: none">  Total CIS Assets Under Management ("AUM") closed at K3,654 million in December 2025, an increase of 22% from 2024. • K3,080 million was invested locally, an increase of 22% • K574 million invested in foreign CISs, an increase of 23%.  1,649,468 investors across 10 local umbrella funds comprised of 62 sub-funds, a representation of 126% increase from December 2024.  410 investors in 55 foreign CISs, an increase of 2%.
---	--

The increase in assets under management for local CISs was largely driven by higher net contributions from both new and existing investors, as evidenced by the 126% growth in the number of investors during the year. In addition, the growth was supported by income earned from underlying investments such as government bonds and equities. The strong performance of the equity market during the year also contributed positively to the overall growth of the CIS sector.

The number of local authorized CISs remained at ten (10). In terms of deployment of AUM, 87.24% of the local CIS AUM were invested in Real Estate, Term Deposits, Other CISs, Commercial Paper and GRZ Bonds (Refer to Figure below).

Distribution of AUMs by Assets at 31st December 2025



The list of fund managers for collective investment schemes managers is included in **Appendix III**.

Licensing

The Commission had 266 licensees as of December 2025 compared to 260 as at December 2024, representing a net increase of 2.3% during the year. This also shows an upward trajectory of interest, by various businesses, in participating in the capital markets.

Movement in number licensees

License type	31 December 2024	Issued in 2025	Cancelled/ Revoked/ Surrendered	31 December 2025
Credit Rating Agencies	2	-	-	2
Dealers	34	5	-	39
Dealer's Representatives	170	30	(25)	177

License type	31 December 2024	Issued in 2025	Cancelled/ Revoked/ Surrendered	31 December 2025
Investment Advisors	23	-	(1)	22
Investment Advisors representatives	23	1	(4)	20
Share Transfer Agencies	3	-	-	3
Share Transfer Agent Representative	3	-	-	3
Clearing and Settlement Agencies	1	-	-	1
Securities exchanges	1	-	-	1
Total	260	36	(30)	266

Surveillance and complaints handling

Market Surveillance

As part of its regulatory mandate, the Commission undertakes a broad range of market surveillance activities aimed at promoting integrity, transparency, and investor protection within the capital markets. These activities encompass the daily monitoring and analysis of trading activity and the investigation of any detected anomalies or irregularities.

The Commission also attends Annual General Meetings (AGMs) of listed entities and local CISs in an observer capacity. This provides an additional layer of oversight, ensuring that issuers uphold corporate governance standards and maintain full disclosure with investors.

Key Observations from 2025 AGMs

During the period from December 2023 to December 2024, the Commission made the following observations regarding AGMs:

- **Mode of Meeting:** The majority of AGMs were conducted using a hybrid format of combining both physical and virtual participation. This flexible approach facilitated broader accessibility and compliance with best practices.
- **Investor Participation:** The hybrid model enabled increased participation from shareholders based outside Lusaka and abroad, including foreign investors. The Commission observed a high level of engagement during these meetings, with investors demonstrating a strong interest in monitoring the performance and governance of their investments.

Surveillance of Unlicensed Investment Schemes

Beyond formal market structures, the Commission's surveillance also identified and investigated twelve (12) purported investment schemes operating during the year and issued 15 alerts to the public. These schemes were primarily promoted through social media platforms such as Facebook and WhatsApp. They posed as legitimate investment opportunities and employed multi-level marketing tactics, incentivizing participants to recruit others in exchange for monetary rewards and other benefits.

In addition, to safeguard the investing public, the Commission identified nine (9) operators conducting capital market activities without the requisite licenses. Some of these operators falsely claimed to be licensed, while others were engaged in securities business without any form of authorization.

Complaints

For the year 2025, Market Supervision handled a total of seventy-two (72) complaints, of which sixteen (16) were brought forward from the year 2024. Twenty-six (26) complaints were closed within DMSD while thirty-nine (39) was referred to DELs. 2025 had a closure rate of complaints of 78.8%, this was an increase from the closure rate in 2024 of 51%.

The table below shows a summary of the number of complaints that were handled by DMSD during the year 2025.

Table showing movement in complaints for the year 2025

2025 COMPUTATION OF COMPLAINTS		
Complaints brought forward from 2024	A	16
New complaints received	B	56
Total Complaints	a+b=c	72
Complaints referred to DELS (for further investigations)	D	39
Total Complaints not referred to DELS	c-d=e	33
Complaints closed in DMSD	F	(26)
Number of active complaints	e-f=g	7
DMSD closure rate of complaints not referred to DELS for further investigations	f/e	78.8%

Risk-Based Supervision

In 2025, the focus was implementing RBS to the capital markets premised on three thematic areas namely the:

- **Supervisory plan** – How the Commission will undertake supervision of CMOs to manage risk.
- **Capacity building** – to ensure the Commission, CMOs and stakeholders have adequate capacity to enable implementation of RBS in Zambia.
- **Stakeholder & Public Relations:** Ensuring the Commission implements the RBS Communications Strategy.

Capacity Building and Stakeholder relationship management

The Capacity Building Plan outlines the Commission's strategic focus on strengthening capacity across the capital markets. In 2025, the Commission undertook several capacity-building initiatives targeting both internal staff and external participants, including Capital Markets Operators (CMOs)

AML/CFT Engagement with the CMOs

During the period under review, the Commission begun to implement some of its recommendations stemming from the 2025 Sectoral Anti-Money Laundering (AML) Risk Assessment, conducted in collaboration with the Financial Intelligence Centre (FIC). To disseminate the results and enhance AML/CFT compliance awareness, the Commission held an AML Workshop on 14th October 2025, attended by various market participants from across the capital markets sector. The workshop discussed the Sectoral AML Risk Assessment findings among other key issues.



Climate Risk Supervision and Self-Regulatory Organization (SRO) Supervision

The Commission successfully concluded its Long-Term Country Engagement Agreement (LTCE) with the Toronto Centre (TC), which formally ended on 30th June 2025. Under this agreement, the TC provided all the requested capacity-building programs, delivering targeted technical assistance aligned with the Commission’s supervisory and regulatory development priorities. The collaboration aimed to strengthen the Commission’s institutional frameworks and supervisory capabilities to support sustainable regulatory outcomes.



MARKET DEVELOPMENT

INITIATIVES AND PROJECTS

Capital Markets Master Plan

During 2025, the Commission continued to coordinate and advance the implementation of the Capital Markets Master Plan (CMMP) through strengthened coordination, stakeholder engagement, and performance monitoring.

Implementation efforts were coordinated through quarterly working group engagements, the PPD-F Capital Markets Technical Sub-committee and its Action Teams, as well as ongoing collaboration with CMMP partners. Progress tracking remained a key focus, with results indicating that as of December 2025, six out of ten KPIs had recorded positive progress, with five meeting the short-term targets (End 2024).

Key achievements included strong growth in market capitalisation relative to GDP, increased uptake of green bonds, and significant expansion in mutual fund assets under management. However, challenges persisted in areas such as new listings, market liquidity, and exchange-traded product development.

Table: Overview of CMMP KPIS as at December 2025.

STATUS UPDATE ON CMMP KEY INDICATORS

INDICATORS	STARTING POINT 2022	SHORT TERM (END 2024)	MEDIUM TERM (END 2027)	LONG TERM (END 2031)	Q4 (DECEMBER 2025)
MSCI Country Rating	Not rated	Not rated	Frontier	Frontier	Not rated
LuSE Market capitalization/GDP ratio	16%	27%	30%	33%	49.9%
No. of firms listed on LuSE	23	27	33	40	22
Implied market cap. (USD)	4 billion	9.5 billion	13.9 billion	23 billion	14.9 billion
Domestic share turnover ratio	3.3%	6%	8%	11%	0.003%
Firms in development pipeline	-	5	8	10	9
Total value of green bond issuance (USD)	-	Launch of first green bond	100 million	400 million	150.7 million (200m registered)
Mutual fund assets under management (USD)	68 million	100 million	170 million	250 million	165 million
Value of exchange traded funds (USD)	None	None	First ETF listed	50 million	None
Value of real estate investment trusts (REITs) (USD)	None	None	First REIT listed	20 million	70 million

Key: Green means attained; Red means Not Attained

During the period under review, key CMMP highlights were as follows:

- Second steering Committee meeting: the Commission in collaboration with the Ministry of

Finance and National Planning (MoFNP) held the second Steering Committee meeting which was Chaired by the Secretary to the Treasury (ST), Mr. Felix Nkulukusa. During the meeting, key matters emanating from the working groups and action teams were tabled and guidance sought.

- Creation of dispute resolution workstream: following an identified gap in the CMMP, concerning the lack of a dispute resolution component which was not incorporated as a development area, a workstream for dispute resolution was created under Development Area 5 – Enhancing the capital market regulatory environment. To implement the new workstream, the CMMP Secretariat shall work closely with the Capital Markets Tribunal, being the designated lead and other identified stakeholders that shall be onboarded.
- Local Currency Bond Market Diagnostic Assessment (LCBMD): the Commission participated in an IMF/WB LCBMD Assessment Mission which was spearheaded by the MoFNP. The objective of the diagnostic assessment was to assess the functioning of the local currency bond market and preparing a roadmap for policy reforms and technical assistance. The assessment assessed the current stage of development of Zambia's domestic market and formulated policy recommendations premised on six building blocks, namely; Money market, Primary market, Secondary market, Investor base, Financial Market Infrastructure and Legal and Regulatory Framework.
- Morgan Stanley Capital International country rating: Preliminary efforts towards attaining a Frontier country rating commenced. To this end, the CMMP Secretariat initiated discussions with the MSCI to better understand the MSCI Market Classification Framework. In the same vein, a draft working paper to track Zambia's readiness towards Frontier market classification has since been developed as plans are underway to prepare for eligibility.
- Studies relating to enhancing the Corporate bond market and expansion of market product offerings: the SEC conducted a study as part of efforts to undertake primary research across cross-sectional sample of businesses on their financing needs and reasons for lack of corporate bond activity. The objective of this is to help ascertain whether the existing investment guidelines should be revised.
- Expansion of market product offerings: The SEC commissioned a study to assess the demand for expanded number of assets classes in the market by both retail and institutional investors. This study is intended to help ascertain whether there is demand for additional asset classes and whether the current guidelines are adequate.



- CMMP Awareness and Sensitization: The Commission participated in major industry platforms to promote the CMMP and position the capital markets as a driver of economic growth. Notably, the Commission participated in the following:
 - The inaugural Zambia Capital Markets Annual Conference and Awards which ran under the theme “*Unlocking capital markets for inclusive economic growth*”.
 - The Zambia Financial Markets Conference which ran under the theme “*Growth and Opportunities*”.
 - The Africa Capital Markets Forum where the Commission participated in a high-level strategic panel dubbed “*A Call to Action for Collaboration, Reform, and Investment*”.
 - participation in major industry platforms to promote the CMMP and position capital markets as a driver of economic growth.



Overall, the CMMP implementation in 2025 reflects steady progress, with continued efforts required to deepen market participation, enhance product diversification, and address structural constraints in the Zambian capital markets.

National Financial Inclusion Strategy (“NFIS”)

In 2025, the Commission strengthened its role in advancing financial inclusion and sustainable finance through enhanced stakeholder coordination and strategic planning. Following the MoFNP’s working group familiarisation sessions, the Commission convened the inaugural Capital Markets and Environmental, Social and Governance (ESG) Working Group meeting, of which it serves as Secretariat. During the meeting, members reviewed the draft implementation plan and elected leadership, having appointed the United Nation’s Development Plan-Biodiversity Finance Initiative to assume the role of Chair and Bank of Zambia (BoZ) as Co-Chairperson. Members were tasked with further refining the implementation plan and providing updates on assigned actions, with this process ongoing.

In parallel, the Commission, in collaboration with the MoFNP and the U.S. Department of the Treasury’s Office of Technical Assistance (OTA), advanced the implementation of the National Financial Inclusion Strategy (NFIS II). A dedicated workshop was convened to rationalise and refine the NFIS II Action Plan, ensuring greater clarity, prioritisation, and alignment with national development objectives.

As an outcome of these efforts, strategic actions under NFIS II were translated into specific, measurable activities with defined timelines, clear institutional responsibilities, and detailed costings. This provides a structured roadmap to support effective implementation of financial inclusion initiatives over the medium term.

National Strategy for Financial Education for Zambia (“NFSE”)

The Government, through the MoFNP, in collaboration with financial sector regulators and cooperating partners, continued to advance financial literacy initiatives following the conclusion of the 2019–2024 National Strategy for Financial Education (NSFE II). To ensure continuity, stakeholders

agreed to extend the implementation of NSFE II programmes while commencing the development of the third National Strategy for Financial Education (NSFE III).

The drafting of NSFE III commenced and is under the leadership of the MoFNP, with active participation from financial sector regulators. The new strategy aims to further empower citizens with the knowledge and skills required for effective financial decision-making, in line with the objectives of the Eighth National Development Plan.

To support this process, the Commission has made budgetary provisions for 2026, while additional funding options are being explored to complement existing resource constraints. The drafting process will also benefit from technical assistance from the U.S. Department of the Treasury's Office of Technical Assistance (OTA), ensuring alignment with international best practices and integration of financial inclusion priorities.

Key preparatory activities for NSFE III include a review of existing financial literacy materials and a planned data collection exercise scheduled for the first quarter of 2026.

Developing Zambia's Subnational Revenue Bonds Project

In 2025, the Commission advanced efforts to position capital markets, particularly municipal and sub-national revenue bonds as a viable financing mechanism for local authorities, in line with Government's Decentralisation Policy. This approach is aimed at complementing intergovernmental transfers and reducing reliance on the Treasury while enabling sustainable infrastructure development.

Following engagements with the United Nations Capital Development Fund (UNCDF) and the Kabwe Municipal Council, progress was made in promoting municipal bonds, developing a supporting regulatory framework, and strengthening institutional coordination. Notably, Kabwe Municipal Council progressed plans for a 300MW solar project, supported by a feasibility study funded by the MoFNP and technical assistance under UNCDF's InFiDS programme.

A key priority under the SEC–UNCDF collaboration is the development of National Guidelines for Local Authorities for Developing and Financing Revenue-Generating Infrastructure Investments. These guidelines will provide a practical framework for structuring bankable municipal projects, including Public-Private Partnerships and revenue bond financing pathways, and are critical to unlocking subnational infrastructure financing.

Current efforts are focused on finalising and validating the Guidelines, establishing institutional review mechanisms, and mobilizing technical support to facilitate their timely adoption and launch. Overall, these initiatives mark an important step towards developing a pipeline of bankable municipal projects and deepening the role of capital markets in local government financing.

Regulatory Sandbox

In 2025, the Commission continued post-exit supervision of four Cohort One Sandbox participants following their exit in May 2024. Two innovations (Kukula and LuSE) demonstrated operational success and are progressing toward commercial deployment subject to conditions, while the peer-to-peer lending models (Lupiya and Premier Credit) revealed significant risks, resulting in supervised wind-down and enforcement action, respectively.

The Commission also progressed Cohort Two, receiving eleven applications, conducting preliminary assessments, and shortlisting four for further review. Onboarding is planned for 2026 following additional evaluation. These efforts reflect a principles-based, risk-focused approach to supporting innovation while safeguarding investor interests.

THE REGULATORY SANDBOX FOR CAPITAL MARKETS HAS THREE MAIN OBJECTIVES:



2025 Financial Literacy Week

Financial Literacy Week 2025, held from 16–22 March under the theme **“Think before you follow, safeguard your money,”** was a nationwide campaign led by the three financial sector regulators SEC, BoZ and PIA under NSFE II to promote informed financial decision-making.

The SEC led activities in Northwestern Province, including school outreach, a public exhibition, an inter-college debate, and community engagement. Post-survey results indicated significant impact, with increased awareness of Unit Trusts, improved understanding of investment concepts, and a notable rise in confidence to invest.



2025 FLW Youth Engagement: Debate winners - Solwezi College of Nursing and Midwifery



Exhibition, Solwezi City Mall.



Holland Disabled Association



St. Kizito Secondary School

SEC Participates in Boys' and Girls' Character Development Camp at Kuzipa Farms

The SEC engaged boys and girls at Kuzipa Farms in lively and interactive sessions on saving, investing, and the Zambian capital markets. The programme reached two groups — 8-11 years and 12-18 years.

Through fun and practical activities, the boys and girls discovered the importance of making informed financial decisions early in life. To support this journey, each participant received a piggy bank to begin their saving habit and a Snakes and Ladders Investor Education Board Game — a creative tool that simplifies real-world investment concepts through play, as well as scam and fraud awareness. SEC extends sincere appreciation to Kuzipa Farms for partnering in delivering this impactful programme.

Together, we are contributing to a brighter financial future for Zambia's youth.



Livingstone Primary School

The NSFE, co-complemented by the SEC, BoZ, and PIA, identifies key target groups for investor and financial education to ensure outreach across different segments of society. Among these, school learners at primary and secondary levels are considered an important target group.

The objective is to build a strong foundation of financial literacy early in life by helping learners understand the basics of saving, budgeting, managing money, and recognizing and avoiding scams. In line with this objective, the SEC team in Livingstone targeted David Livingstone Memorial Presbyterian Pre and Primary School, located on Mosi Oa Tunya Road. This school, affiliated with the Presbyterian Church, offers both pre-school and primary education and serves as a community hub for educational development in the area.

At the school, the SEC team conducted an investor education session for 133 children, sharing key concepts of investing and financial literacy. Learners were taught important basic financial principles to equip them with the knowledge and skills for responsible financial decision-making.



Terry Schwartz Secondary Adventist school

The SEC team also visited Terry Schwartz Adventist School, located in the Highlands Township of Livingstone. Established by American couple Terry and Dina Schwartz in 2014 and is affiliated with the Seventh-day Adventist Church. It offers both pre-school and primary education and plays a central role in supporting educational development in the area.

At the school, the SEC team conducted an investor education session for 275 children, sharing key concepts of investing and financial literacy. Learners were taught principles, including saving, budgeting, managing money, and recognizing and avoiding scams.

Livingstone Institute of Business and Engineering Studies

The National Strategy on Financial Education (NSFE), co-implemented by the SEC, BoZ, and PIA, also identifies the key target group of youths in colleges and universities as well as working adults in both the formal and informal sectors which are considered priority audiences. This particular target group has the Commission as lead implementer for its activities.

The objective is to prepare young adults to make informed financial and investment decisions by equipping them with knowledge on capital markets, savings versus investing, entrepreneurship, avoiding get-rich-quick schemes, and responsible use of digital finance. In line with this, the SEC team in Livingstone visited Livingstone Institute of Business and Engineering



Studies (LIBES), a tertiary institution offering business, engineering, and technology programs to students preparing for careers in today's economy.

At LIBES, investor education was conducted for 65 adults. Key topics included investment products (unit trusts, bonds, shares), and fraud and scams awareness. The session aimed to strengthen financial literacy and foster responsible investment behaviors among both old and young adults.

Commemoration of World Investor Week 2025

PHASE 1: Provincial Debates

The Commission successfully conducted the 2025 Provincial Capital Markets Debate Competitions across all ten provinces as part of preparations for the National Grand Finale and World Investor Week 2025. Organized in collaboration with host institutions and the Debate Research Center, the competitions attracted strong participation from tertiary institutions and showcased high levels of understanding of capital markets. Provincial winners progressed to the national finals, with best speakers in each province awarded K1,000.



THE CAPITAL MARKETS NATIONAL DEBATE PROVINCIAL REPRESENTATIVES	
1. CENTRAL PROVINCE MULUNGUSHI UNIVERSITY	
2. COPPERBELT PROVINCE NORTHERN TECHNICAL COLLEGE	
3. EASTERN PROVINCE CHIPATA COLLEGE OF NURSING AND MIDWIFERY	
4. LUAPULA PROVINCE MANSA COLLEGE OF EDUCATION	
5. LUSAKA PROVINCE EVELYN HONE COLLEGE OF APPLIED ARTS AND COMMERCE	
6. MUCHINGA PROVINCE KAPASA MAKASA UNIVERSITY	
7. NORTHERN PROVINCE KASAMA SCHOOL OF NURSING AND MIDWIFERY	
8. NORTH-WESTERN PROVINCE SOLWEZI SCHOOL OF NURSING AND MIDWIFERY	
9. SOUTHERN PROVINCE RUSANGU UNIVERSITY	
10. WESTERN PROVINCE LEWANIKA COLLEGE OF NURSING AND MIDWIFERY	

PHASE 2: National Capital Markets Debate Competition and Finals, Livingstone

Day 1: Wednesday, 8th October 2025 – Group Stage and Quarter Finals

The opening day commenced with arrivals and registration, followed by the official opening of debate sessions from the debate master from the Debate Research Centre (DRC). Teams debated motions around social media and financial literacy, AI in capital markets, cryptocurrencies, and cybersecurity frameworks. The day concluded with closing remarks from SEC representatives.

GROUP STAGE RESULTS

Match	Motion	Winning Province	Points	Best Speaker
Central vs Western	Social media & financial scams	Central	667–665	Timothy Banda
Muchinga vs Southern	AI in Capital Markets & Jobs	Southern	678–651	Ronaldo Mwiikisa
Lusaka vs Eastern	Cryptocurrencies as investments	Lusaka	701–679	Tracy Jabalani
Southern vs Copperbelt	Cybersecurity & Digital Trading	Southern	698–692	Ronaldo Mwiikisa
Central vs Northern	Digital Finance & My Luse	Central	693–652	Timothy Banda
Northwestern vs Lusaka	AI & Investor Complacency	Northwestern	698–693	Tracy Jabalani

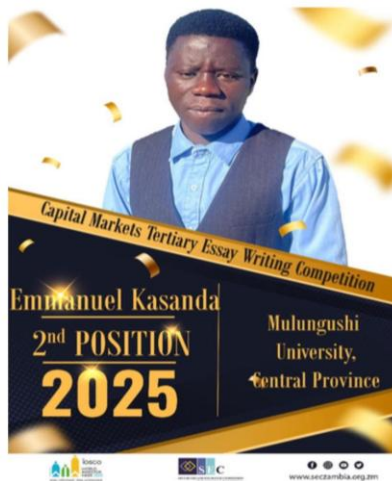
Copperbelt vs Muchinga	Legalizing Crypto Trading	Muchinga	683–682	Mulenga Joseph
Western vs Northern	LuSE’s 14.3% Surge	Northern	665–648	Katala Memory
Eastern vs Northwestern	CEC \$1 Billion Valuation	Northwestern	696–641	Henry Kanyanta

QUARTER FINALS

Match	Motion	Winning Province	Points	Best Speaker
Southern vs Lusaka	Require mining firms list on LuSE	Southern	726–721	McPreston Nkhoma
Central vs Eastern	Empower SEC to prosecute fraud	Central	688–654	David Mukompa
Muchinga vs Northwestern	Deploy AI to monitor trading	Northwestern	668–639	Henry Kanyanta
Northern vs Copperbelt	Disclose AI use in investments	Copperbelt	664–646	Caleb

Capital Markets Tertiary Essay Writing Competition

The Capital Markets Tertiary Essay Writing Competition encourages students from tertiary institutions to explore and write about topics related to financial literacy and capital markets awareness in Zambia. Participants gain research experience, critical thinking skills, and exposure to capital markets knowledge that can benefit their academic and professional growth. Winners of the 2024 Capital Markets Tertiary Essay Writing Competition were awarded in October 2025, in Livingstone, Southern Province.



SUMMARY

2025 WORLD INVESTOR WEEK PRIZE AWARDS

POSITION	INSTITUTION	PRIZE
1 st Position	Mulungushi University	K40,000.00
2 nd Position	Solwezi School of Nursing & Midwifery	K20,000.00
3 rd Position	Northern Technical College	K15,000.00
4 th Position	Rusangu University	K10,000.00
POSITION	WRITER	PRIZE
Best Speaker	Henry Kanyanta	K4,000.00 + Paid Internship
2 nd Best Speaker	Tracy Jalabani	K2,000.00 + Paid Internship
3 rd Best Speaker	Ronaldo Mwikisa	K1,000.00 + Paid Internship
NATIONAL CAPITAL MARKETS TERTIARY ESSAY WRITING COMPETITION		
POSITION	WRITER	PRIZE
1 st Position	Kelvin Mweya	K10,000.00
2 nd Position	Emmanuel Kasanda	K7,500.00
3 rd Position	Francis Mwansa	K5,000.00

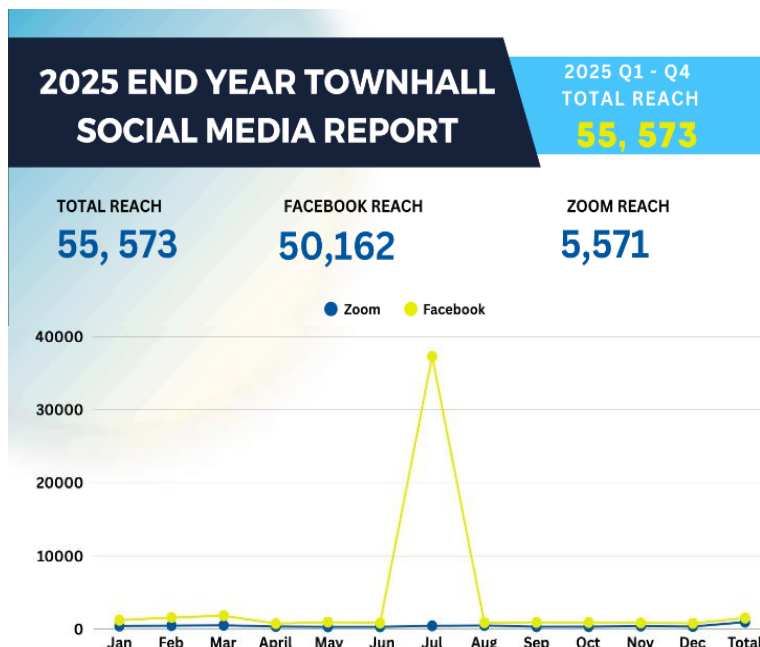
Capital Markets Ambassadors Programme

The Capital Markets Ambassador Programme is a structured initiative aimed at promoting financial literacy and capital market awareness through a trained network of ambassadors drawn from diverse groups, including students and professionals. The programme focuses on building nationwide awareness, delivering standardized training, and supporting structured outreach and monitoring.

Implementation is being carried out in phases, including recruitment, training, piloting, and rollout. The programme is currently at the training and assessment stage, with plans for pilot implementation and expansion to follow.

Monthly Townhall Meetings

TOWNHALL GENERAL OVERVIEW



The main aim of the SEC Townhall Meetings is to demystify capital markets thereby promoting financial education, awareness and confidence with regard to financial products, institutions and services.

In the year under review, Facebook continued to draw the largest audience participating in the Townhall meetings at 50,162 compared to 5,571 on Zoom. This shows a continued increase in interest from the general public for information on capital market products and services, and scam prevention knowledge.

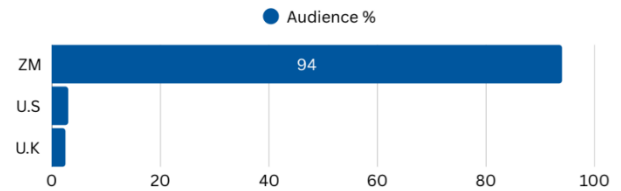
Total Signups: Email Database 4,216

Current emails captured stands at **4,216 up** from **3,670** in (Q1, 2025) thus representing a **15%** Increase.

Note

Viewership on Facebook increases after each townhall meeting, especially over weekends, and typically doubles by year-end due to easy access and more free time to watch recordings.

TOP FOLLOWERS BY COUNTRY



Audience Majority:

94% of the audience attending Townhall meetings is from Zambia, with 3% from the United States of America and the United Kingdom respectively.

Townhall meetings are designed to be an interactive platform for members of the public to interact with the Commission and discuss investments and capital markets basics. The topics discussed during the year are summarized below.

MONTH	FB & ZOOM STATS	TOPIC
January	1,608	Learn how to identify and avoid frauds and scams
February	2,042	Strategies for long term investing and wealth building.
March	2,334	Introduction to financial markets: Securities and how they work
April	1,085	Introduction to Shares and how they work
May	1,249	Introduction to Collective Investment Schemes and how they work
June	1,150	Introduction to Bonds and how they work
July	37,286	Adaptation to Climate Change
August	1,102	Market Volatility and Strategies to manage investment risks
September	1,098	Retirement investing and long-term financial planning
October	1,041	World Investor Week: Key Messages
November	982	Securities Regulatory framework and its importance for investor protection
December	928	Shareholder rights

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC BE A SMART INVESTOR: LEARN HOW TO IDENTIFY AND AVOID FRAUDS AND SCAMS

THURSDAY, 30TH JAN 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Sitali Mugala
Investor Education Officer,
Market Development

www.seczambia.org.zm

- January**
- **Topic:** Learn how to identify and avoid frauds and scams
 - **Presenter:** Mugala Sitali

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC STRATEGIES FOR LONG-TERM INVESTING AND WEALTH BUILDING

THURSDAY, 27TH FEB 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Lyopa Mpempulwa,
Capital Markets Association
of Zambia

www.seczambia.org.zm

- February**
- **Topic:** Strategies for long-term investing and wealth building
 - **Presenter:** Mpempulwa Lyopa

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC INTRODUCTION TO CAPITAL MARKETS: FINANCIAL SECURITIES AND HOW THEY WORK

THURSDAY, 27TH MAR 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Sitali Mugala
Investor Education Officer,
Market Development

www.seczambia.org.zm

- March**
- **Topic:** Introduction to financial markets: securities and how they work
 - **Presenter:** Mugala Sitali

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC INTRODUCTION TO SHARES: What they are and how they work

THUR, 24TH APRIL 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Mr. Francis Kafwembe
Inspector / Analyst,
Market Supervision

www.seczambia.org.zm

- April**
- **Topic:** Introduction to Shares and how they work
 - **Presenter:** Francis Kafwembe

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC INTRODUCTION TO COLLECTIVE INVESTMENT SCHEMES: What they are and how they work

THUR, 29TH MAY 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Lucy Namuchimba
Inspector / Analyst,
Market Supervision

www.seczambia.org.zm

- May**
- **Topic:** Introduction to CIS's and how they work
 - **Presenter:** Lucy Namuchimba

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC INTRODUCTION TO BONDS: Everything you need to know about Bonds

THUR, 26TH JUNE 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Mr. Elijah C. Kabaso,
Capital Markets Association
of Zambia (CMAZ)

www.seczambia.org.zm

- June**
- **Topic:** Introduction to Bonds and how they work
 - **Presenter:** Elijah C. Kabaso

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL SPECIAL:
An Agricultural and Commercial Shero Segment

TOPIC ADAPTING TO CLIMATE CHANGE

THUR, 31ST JULY 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Leah Simasiku,
Manager, Market Supervision,
SEC

www.seczambia.org.zm

- July**
- **Topic:** Adaptation to Climate Change
 - **Presenter:** Leah Simasiku

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC A DISCUSSION ON MARKET VOLATILITY AND STRATEGIES TO MANAGE INVESTMENT RISKS

THUR, 28TH AUGUST 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Ms. Grace Soko
Capital Markets Association
of Zambia (CMAZ)

www.seczambia.org.zm

- August**
- **Topic:** Market Volatility and Strategies to manage investment risks
 - **Presenter:** Grace Soko

THE SECURITIES AND EXCHANGE COMMISSION
TOWNHALL MEETING

TOPIC COMPREHENSIVE GUIDE TO RETIREMENT INVESTING AND LONG-TERM FINANCIAL PLANNING

THUR, 25TH SEPTEMBER 2025
15:00 HRS - 16:00 HRS

ID: 835 5340 4042
PASSCODE: 435802

Presenter: Mr. Eliya Mvula
Capital Markets Master Plan
(CMMP), SEC

www.seczambia.org.zm

- September**
- **Topic:** Retirement investing and long-term financial planning
 - **Presenter:** Eliya Mvula

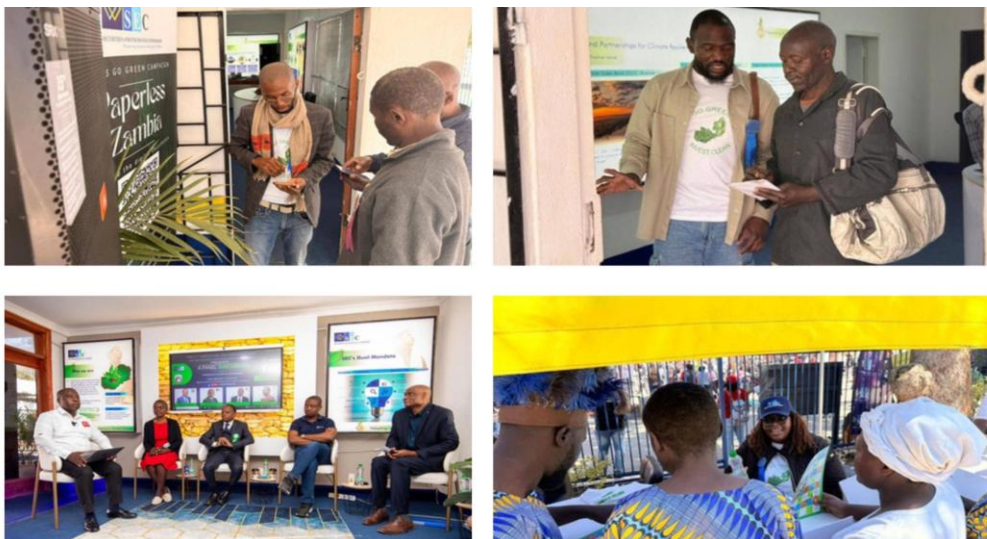
 <p>THE SECURITIES AND EXCHANGE COMMISSION TOWNHALL MEETING</p> <p>TOPIC: SPECIAL EDITION: 2025 WORLD INVESTOR WEEK: TOWNHALL KEY MESSAGES</p> <p>THUR, 30th OCTOBER 2025 15:00 HRS - 16:00 HRS</p> <p>ID: 835 5340 4042 PASSCODE: 435802</p> <p>zoom @SECZambia</p> <p>Presenter: Ms. Dingase Makumba Manager, Market Development, SEC</p> <p>www.seczambia.org.zm</p>	 <p>THE SECURITIES AND EXCHANGE COMMISSION TOWNHALL MEETING</p> <p>TOPIC: OVERVIEW OF THE SECURITIES REGULATORY FRAMEWORK AND ITS IMPORTANCE FOR INVESTOR PROTECTION</p> <p>THUR, 27th NOVEMBER 2025 15:00 HRS - 16:00 HRS</p> <p>ID: 835 5340 4042 PASSCODE: 435802</p> <p>zoom @SECZambia</p> <p>Presenter: MRS. ISABEL KAPOTWE NKONDE LEGAL OFFICER, SEC</p> <p>www.seczambia.org.zm</p>	 <p>THE SECURITIES AND EXCHANGE COMMISSION TOWNHALL MEETING</p> <p>TOPIC: BE A SMART INVESTOR: SHAREHOLDERS RIGHTS</p> <p>FRIDAY, 26th DECEMBER 2025 15:00 HRS - 16:00 HRS</p> <p>ID: 835 5340 4042 PASSCODE: 435802</p> <p>zoom @SECZambia</p> <p>Presenter: MR. BRUCE MULENGA MANAGER, MARKET TRANSACTIONS, SEC</p> <p>www.seczambia.org.zm</p>
<p>October</p> <ul style="list-style-type: none"> Topic: World Investor Week: Key Messages Presenter: Dingase Makumba 	<p>November</p> <ul style="list-style-type: none"> Topic: Securities regulatory framework and its importance for investor protection Presenter: Isabel Kapotwe Nkonde 	<p>December</p> <ul style="list-style-type: none"> Topic: Shareholders rights Presenter: Mulenga Bruce

97th Agricultural and Commercial Show

The Commission participated in the 97th Agricultural and Commercial Show of Zambia (ACSZ) held from 30 July to 4 August 2025 under the theme “Adapting to climate change”. As Secretariat of the Green Finance Mainstreaming Working Group, the SEC showcased the role of capital markets in mobilising sustainable finance through instruments such as green and sustainability-linked bonds.

Key activities included panel discussions, media engagements, and public education on investor protection and scams. The SEC stand attracted 1,759 visitors, with high satisfaction levels, reflecting strong public engagement and growing awareness of capital markets. The event highlighted increased interest in investing, while underscoring the need to translate this interest into active participation.

Additionally, the Commission supported the launch of the Zambia Capital Markets Conference and Awards 2025, aimed at promoting inclusive economic growth through capital markets development.



Zambia Capital Markets Conference and Awards 2025 (ZCMCA)

The Lusaka Securities Exchange (LuSE) in collaboration with the Capital Markets Association of Zambia (CMAZ) and the SEC kicked off the Zambia Capital Markets Conference and Awards 2025 (ZCMCA) with a press briefing to draw attention to the upcoming event scheduled for October in Livingstone. ZCMCA 2025 was introduced at the first fully-fledged Capital Markets Conference and Awards in Zambia and was subsequently held on 1st and 2nd October 2025 under the theme “Unlocking Capital Markets for Inclusive Economic Growth.”

The Guest of Honour for the official kick-off was the Permanent Secretary - Economic Management at the MoFPN, Mr Mulele Mulele, represented by the Acting Director Economic Management, Mr Akapelwa Imwiko who rang the exchange bell to signify the start of the event.



Copperbelt Agricultural, Mining, Industry and Networking Expo (CAMINEX)

The Commission participated in CAMINEX 2025 in Kitwe, engaging stakeholders across key sectors and promoting the role of capital markets in economic development. The SEC focused on raising public awareness, promoting investment, strengthening partnerships, and engaging youths, attracting strong interest at its exhibition stand.

Key highlights included participation in CEC’s USD 1 billion market capitalization milestone, media engagement, and increased public interaction on investor protection and scams. The Commission also conducted youth-focused sessions to enhance financial literacy. Overall, participation strengthened the SEC’s visibility, stakeholder engagement, and commitment to investor education and market development.

Green and Sustainable Finance Activities

The Commission, as Secretariat of the Green Finance Mainstreaming Working Group, continued to drive efforts to integrate green finance across Zambia’s financial sector, including capital markets, banking, pensions, and insurance. In 2025, key progress included development of the Green Finance Taxonomy, tagging and reporting system, Green Finance Strategy and Implementation Plan, and advancement of green bond market initiatives.

The Commission also led complementary initiatives such as promoting subnational revenue bonds, developing a regulatory roadmap for nature-related financial risks, and supporting adoption of

international sustainability reporting standards. These efforts reflect ongoing progress in positioning Zambia’s financial sector to support climate resilience and attract green investment.

Public Awareness and Investor Protection

Frauds and Scams Campaign

Scams Awareness Campaign kicked off with an introductory article that unpacked the concept of capital markets, exposed common scams in the industry, and shared practical tips to help the general public to protect themselves.

The campaign uses the following hashtags:

#SECZambia #ScamAwareness #FraudAwareness #InvestorEducation #scamsawarenesscampaign

In response to rising scams and fraud, the Commission intensified investor awareness and public alert initiatives to safeguard the public. During the year, three unlicensed investment schemes—promoted mainly via social media were identified.

The Commission issued public warnings through its website and social platforms, cautioning that these entities were not authorized to offer investment services. These actions underscore the Commission’s commitment to protecting investors, maintaining market integrity, and promoting public trust.



Scams in the Capital Market

However, just like any other marketplace, the capital market has its risks, and one of the biggest risks is scams. Common scams include: Ponzi schemes, Pump and Dump, and Fake Investment Platforms.

Ponzi Schemes In this scam, early investors are paid using the money from newer investors, not profits. Eventually, the scheme collapses when new money stops coming in.

Pump and Dump Fraudsters artificially inflate the price of a stock by spreading false information, then sell off their shares at the inflated price, leaving others with worthless investments.

Fake investment Platforms - scammers create fake websites or platforms that appear to offer legitimate opportunities, tricking people into depositing money, which is then stolen.



In order to avoid getting scammed, it is important to educate yourself. Take time to understand how the market works, the types of investments available and how to assess the risks. Being informed is not only the best way to protect your hard-earned money but it is also the best way to increase your chances of making profitable investments over time.

INVESTOR PROTECTION

PUBLIC WARNINGS AND NOTICES

! PUBLIC NOTICE - LI AUTO

The Securities and Exchange Commission ("the Commission") has identified a purported investment scheme operating under the name **LI Auto** (li-autoon.com)

The Commission wishes to advise the public that LI AUTO is not **licensed, authorized or registered** by the Commission to provide investment related services or products in Zambia.

LI Auto exhibits the following characteristics:

- Claims to be **offering shareholder dividends** to people who invest
- High unrealistic rates of return i.e., **Guaranteed return of 1900%** in 50 days.
- Encourages participants to **recruit new members** in exchange for rewards.
- Users offered a **cash reward of 35%** of the investment amount of any

! PUBLIC NOTICE - TRIPLELIFT ZM

The Securities and Exchange Commission ("the Commission") has received a number of inquiries on TripleLift ZM.

Following the inquiries, the Commission wishes to confirm that TripleLift ZM is not **licensed, authorized or registered** by the Commission to provide investment related services or to solicit for funds from the Zambian public for investment returns purposes.

See Commission website for full public notice on TripleLift ZM

Issued by the Securities and Exchange Commission.
22nd October 2025.

! PUBLIC NOTICE - EQUAVIX ZAMBIA

The Securities and Exchange Commission ("the Commission") wishes to remind the public about the risks associated with trading in cryptoassets. The Commission reiterates that cryptoassets trading currently still remain unregulated in Zambia.

It is important to note that crypto markets operate across borders, with much of the trading taking place on foreign-based online platforms. Consequently, funds can easily be transferred abroad, making it difficult to trace or recover assets in the event of fraud or other illegal activities.

The Commission has observed that an entity operating under the name Equavix Zambia ("Equavix") is conducting a Ponzi scheme involving cryptoassets.

▲ Equavix exhibits the following characteristics:

- Promises **guaranteed returns** of up to 100% per month;
- Encourages participants to **recruit new members** in exchange for rewards; and
- Lures investors with incentives such as free trays of eggs and cooking oil.
- Engages in the **promotion and marketing of unregulated financial products**, specifically cryptoassets.

! PUBLIC NOTICE - UPERTEX ZAMBIA

THE SECURITIES AND EXCHANGE COMMISSION ("THE COMMISSION") HAS IDENTIFIED A PURPORTED INVESTMENT SCHEME OPERATING UNDER THE NAME UPERTEX ZAMBIA LIMITED (UPERTEX)

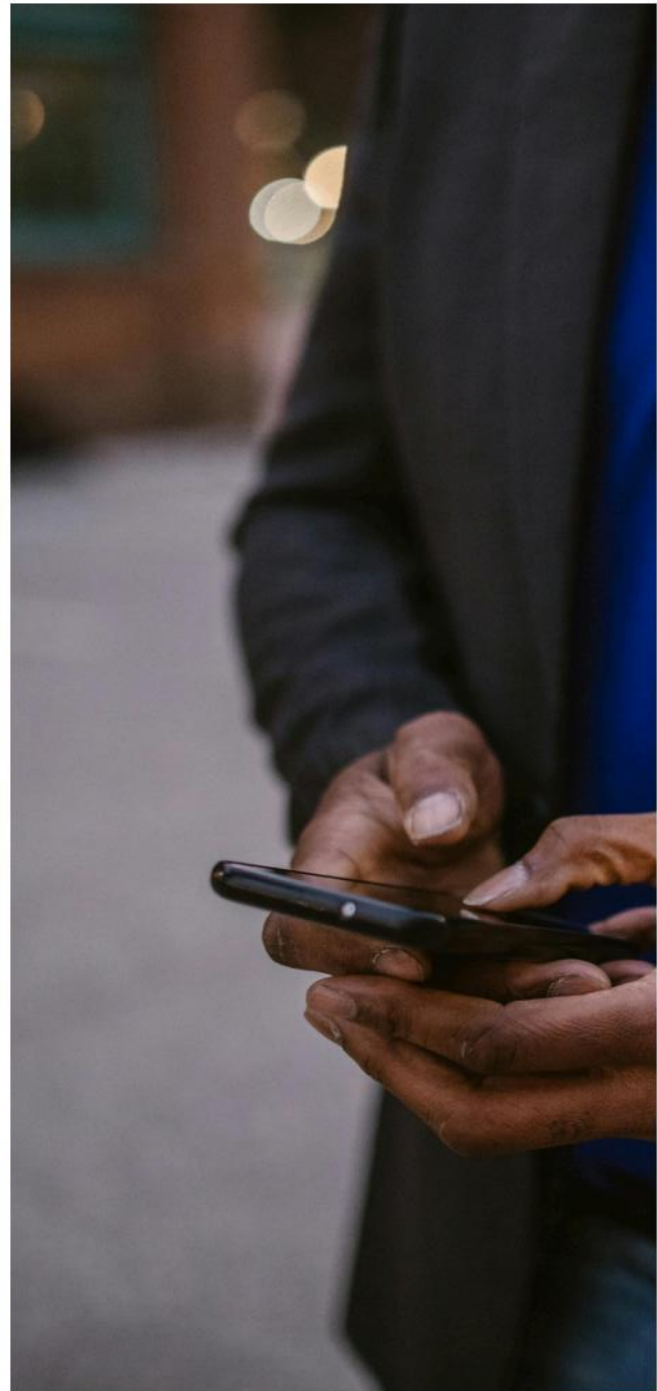
THE COMMISSION WISHES TO ADVISE THE PUBLIC THAT UPERTEX IS NOT **LICENSED, AUTHORIZED OR REGISTERED** BY THE COMMISSION TO PROVIDE CAPITAL MARKETS INVESTMENT RELATED SERVICES OR PRODUCTS.

UPERTEX EXHIBITS THE FOLLOWING CHARACTERISTICS:

- HIGH UNREALISTIC RATES OF RETURN I.E., **GUARANTEED 50% MONTHLY PAYOUT OVER 5 MONTHS**
- ENCOURAGES PARTICIPANTS TO **RECRUIT NEW MEMBERS** IN EXCHANGE FOR REWARDS.

IT HAS BEEN NOTED THAT WHATSAPP IS BEING USED AS THE MAIN COMMUNICATION CHANNEL.

ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION.



ENFORCEMENT AND LEGAL SERVICES

Overview

The Directorate of Enforcement and Legal Services (DELS) plays a central role in advancing the Commission’s investor protection mandate by promoting compliance with the Securities Act, No. 41 of 2016, enforcing the capital markets legal and regulatory framework, providing legal advisory and corporate governance services, and supporting the continued development of Zambia’s securities legislation.

During the 2025 financial year, the Directorate strengthened regulatory enforcement, enhanced inter-agency collaboration, advanced the review of the Securities Act and expanded stakeholder engagement initiatives aimed at promoting market integrity, improving compliance and protecting investors.

The table below outlines DELS’ core operational functions.

DELS CORE OPERATIONAL FUNCTIONS

INVESTIGATIONS AND ENFORCEMENT

- Investigates suspected breaches of the securities regulatory framework
- Enforcement against erring CMOs
- Litigation before the CMT & other courts to protect SEC’s legal interests

BOARD/CORPORATE SERVICES

- Provides Board secretarial services including for Board & Committee meetings
- Consolidates and finalizes the Annual report
- Drafts MOUs and other cooperation mechanisms
- Ensures compliance with international regulatory requirements including to IOSCO and ESAAMI.G

LEGAL ADVISORY

- Undertake legal risk assessments
- Issue legal opinions to both the Board and Management
- Provide legal advice to the Commission whenever requested by the Board and Management

REGULATORY DEVELOPMENT

- Review of regulatory frameworks to identify areas for development
- Drafting of regulatory statements & statutory instruments
- Undertaking Regulatory Impact Assessments
- Engagements with Ministry of Justice and Parliament in law review



Enforcement and Investor Protection

Protecting investors and maintaining confidence in Zambia’s capital markets remained the Directorate’s highest priority during 2025.

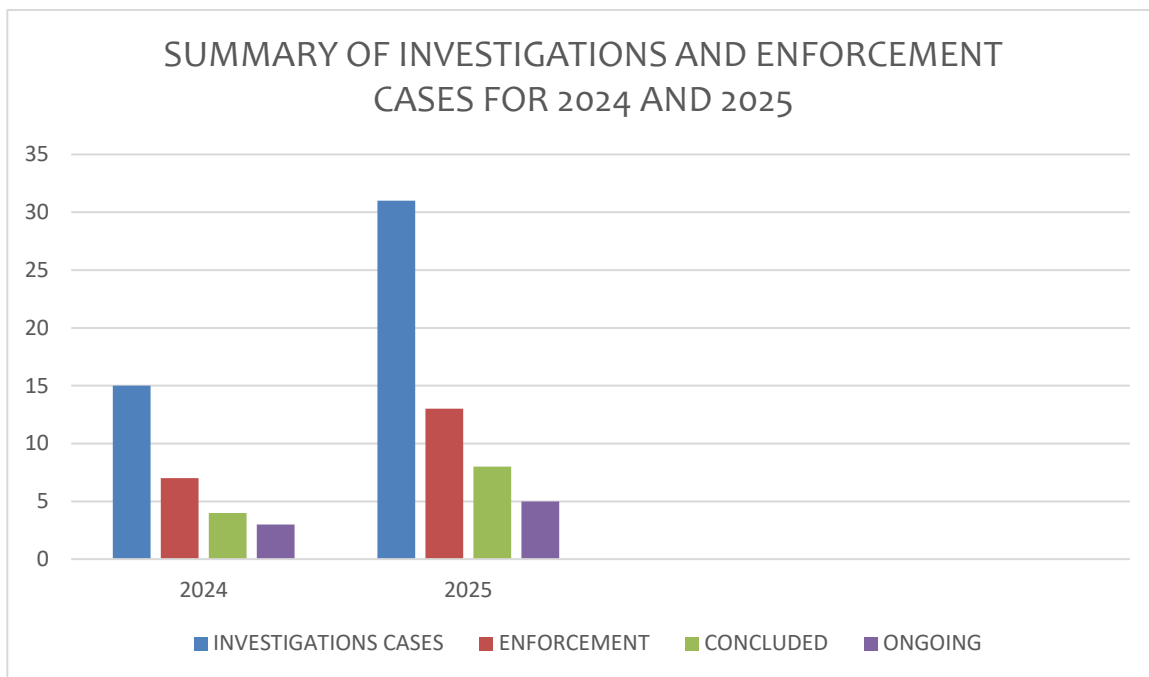
The Commission investigated 31 suspected violations of securities legislation during the year, more than doubling the 15 investigations undertaken in 2024. The investigations primarily related to illegal investment schemes and unlicensed securities offerings, while other matters involved market misconduct by Capital Market Operators (CMOs) and suspected money laundering activities.

The Commission also significantly strengthened its enforcement programme by instituting 13 enforcement actions, compared with seven during the previous year. Of these matters, eight were concluded while five remained under investigation at year-end.

The enforcement programme resulted in:

- administrative fines amounting to K1 million;
- one public censure;
- two private censures; and
- successful collaboration with the Drug Enforcement Commission (DEC) and the National Prosecutions Authority (NPA) in pursuing non-conviction-based asset forfeiture proceedings involving suspected investor fraud.

The Commission further issued several public investor alerts warning against illegal securities offerings and intensified investor education campaigns on Ponzi schemes and other fraudulent investment products.



Strengthening the Legal and Regulatory Framework

Review of the Securities Act

A major milestone during 2025 was the comprehensive review of the Securities Act undertaken jointly with the Ministry of Justice.

The review assessed the adequacy of the current legislative framework in supporting modern securities regulation and identified several provisions that limited the effective development of subsidiary legislation. Following extensive consultations, it was concluded that a repeal and replacement of the Securities Act would provide a more coherent, enabling and future-ready legislative framework.

The review culminated in the Commission obtaining Cabinet approval in principle on 23 December 2025 to commence the legislative reform process.

Advancing International Regulatory Standards

The Commission also submitted its application to become a signatory to the IOSCO Enhanced Multilateral Memorandum of Understanding (EMMoU), an internationally recognised framework that facilitates cooperation and information sharing among securities regulators. So far only South Africa and Kenya are signatories to the IOSCO EMMoU.

Once admitted, the Commission’s participation will significantly strengthen its ability to investigate cross-border securities offences, combat financial crime and cooperate with foreign regulators in protecting investors.

Strategic Partnerships and Stakeholder Engagements

Recognising that effective regulation depends on strong collaboration, the Commission continued to strengthen partnerships with domestic stakeholders during the year.

Mobile Network Operators (MNOs) Stakeholder Engagement

On 28th February 2025, the Commission held a stakeholder engagement with Mobile Network Operators (“MNOs”) including Airtel, Zamtel, and Zedmobile, under the theme “*Enhancing Collaboration.*” The



engagement was designed to familiarise MNOs with the Commission’s mandate and day-to-day operations, with particular emphasis on the importance of maintaining proper records. The Financial Intelligence Centre (“FIC”), the Bank of Zambia (“BoZ”), and the Zambia Information and Communications Technology Authority (“ZICTA”) participated in the engagement and delivered presentations.

The engagement sought to strengthen cooperation between the Commission and MNOs, highlighting the critical role of information held by MNOs in supporting the Commission’s investigations. Presentations by the FIC, BoZ, and ZICTA underscored the mobile money sector’s vulnerability to money laundering and terrorist financing, reinforcing the need for robust record-keeping practices by MNOs.

Law Review Exercise

From 17th to 21st March 2025, the Commission held a law review engagement with the Ministry of Justice (“MoJ”) at Sandy’s Creation Resort in Chilanga, Lusaka, to deliberate on draft rules and regulations intended for enactment. The session brought together delegates from both institutions who contributed their expertise to refine and align the proposed instruments. The collaborative discussions allowed for a comprehensive review of the regulatory framework and ensured that diverse legal and policy perspectives were duly considered.



During the engagement, it was observed that, consistent with the drafting style adopted by the Ministry of Justice, the Securities Act contained insufficient enabling provisions to adequately support the enactment of several proposed statutory instruments under the Securities Act No. 41 of 2016. It was therefore agreed that the Act required a repeal and replacement to ensure coherence and alignment with the draft rules and regulations under development. Subsequently, the Commission obtained Cabinet approval in principle to initiate the law review process on 23rd December 2025.

Benchmarking Exercise with the Eswatini Financial Services and Regulatory Authority (FSRA)

On 14th April 2025, the Commission, in collaboration with the Pensions and Insurance Authority (“PIA”), hosted a delegation from the Financial Services Regulatory Authority (“FSRA”) of the Kingdom of Eswatini.

The FSRA, which supervises non-banking financial services in Eswatini, has developed several legislative instruments aimed at modernising and harmonising its supervisory framework. These instruments were, at the time, under consideration by Eswatini’s Ministry of Finance and Parliament.

In this context, Zambia, through the Commission and the PIA, was identified as a suitable jurisdiction for the FSRA’s benchmarking exercise. During the engagement, both institutions delivered presentations outlining their respective mandates and regulatory functions. The visit not only fulfilled its objective of facilitating knowledge exchange but also provided the Commission with valuable insights into Eswatini’s securities regulatory framework.



Photo gallery of the Benchmarking Exercise with Eswatini

SEC Presentation at the Launch of the 2024-2028 Capital Markets Tribunal Strategic Plan



On 15th April 2025, the CMT launched its Strategic Plan for the period 2024–2028 at the Mulungushi International Conference Centre. The CMT, established as a fast-track adjudicative body under the Securities Act, No. 41 of 2016, is mandated to uphold the integrity of the capital markets by addressing misconduct, ensuring accountability, and protecting investors.

Recognising the capital market as a vital platform for mobilising investment and supporting economic growth, the CMT plays a key role in fostering confidence and sustaining a robust financial ecosystem. The Strategic Plan sets out targeted interventions and priorities to strengthen the Tribunal’s capacity to deliver on its mandate effectively.

During the launch, the Commission was invited to deliver a presentation providing an overview of Zambia’s capital markets, which was presented by DELS, as depicted in the photograph below.

SEC and Law Association of Zambia Memorandum of Understanding



On 17th April 2025, the Commission and the Law Association of Zambia (“LAZ”) signed a Memorandum of Understanding (“MoU”) aimed at advancing public understanding of securities laws and fostering investor confidence through awareness and sensitisation initiatives. By leveraging the Commission’s regulatory expertise and LAZ’s legal knowledge and extensive network, the collaboration is expected to enhance public awareness of securities laws and regulations, strengthen investor education and protection, and build the capacity of legal practitioners within the capital markets space.

The partnership is also anticipated to contribute meaningfully to the development of a robust, efficient, and investor-friendly securities market in Zambia. Key activities under the MoU include joint educational initiatives, capacity-building programmes in securities regulation, collaborative policy development and advocacy, as well as coordinated efforts in enforcement, compliance, investor protection, and market development.



Meeting with Law Enforcement Agencies, the bank of Zambia and the Data Protection Commissioner



On 13th May 2025, the Commission convened a stakeholder engagement with various Law Enforcement Agencies (“LEAs”) and other key stakeholders under the theme “Emerging Fraudulent and Criminal Trends”. The meeting was attended by representatives from the Bank of Zambia (“BoZ”), the Data Protection Commission (“DPC”), the Anti-Corruption Commission (“ACC”), the Drug Enforcement Commission (“DEC”), the Financial Intelligence Centre (“FIC”), the Patents and Companies Registration Agency (“PACRA”), the Zambia Information and Communications Technology Authority (“ZICTA”), the Zambia Police Service (“ZP”), and the National Prosecution Authority (“NPA”).



The engagement featured presentations by DELS on issues such as the provision of unlicensed investment advice, Ponzi schemes, and the Securities (Substantial Shareholder Vetting) Guidelines. The discussions underscored the need for LEAs to respond promptly to information requests to prevent unfit and improper persons from participating in the capital markets. The engagement further emphasised the importance of continued collaboration among LEAs and other stakeholders to safeguard the integrity of the capital markets.

Benchmarking Exercise with the Tanzanian Capital Markets Tribunal



The Capital Markets Tribunal of the United Republic of Tanzania (“CMT Tanzania”) undertook a study visit to the CMT of Zambia and as part of the visit, CMT Tanzania expressed interest in engaging with the Commission to obtain insights into investor protection and regulatory oversight from the Commission’s perspective.

Accordingly, on 17th June 2025, the Commission hosted both CMT Tanzania and CMT Zambia for a

benchmarking exercise where the Commission outlined its investor protection mandate, shared details of its investor education and awareness initiatives, elaborated on its enforcement programme, and discussed prevailing risks and challenges in Zambia’s capital markets. The Commission also explained the statutory process for appeals to the Capital Markets Tribunal as provided under the Securities Act.



CMAZ also participated in the engagement and provided industry perspectives on investor protection and market conduct from the viewpoint of market participants.

Stakeholder Engagement and Capacity Building with the Capital Markets Association of Zambia (CMAZ)



On 26th June 2025, the Commission, in collaboration with the Capital Markets Master Plan (“CMMP”) Secretariat, convened a stakeholder engagement meeting with the Capital Markets Association of Zambia (“CMAZ”) and representatives of various CMOs. The meeting was held under the theme “New and Innovative Products.”

This engagement aligned with the Commission’s strategic objective of enhancing stakeholder participation in the capital markets and the CMMP’s goal of driving market development to support economic growth. The discussions facilitated an open exchange of views, underscoring the need for the Commission to streamline processes, for CMOs to enhance market visibility, and for strengthened collaboration aimed at addressing operational challenges within the industry.

SEC Collaboration with the Zambia Police Service



On 25th August 2025, the Commission and the Zambia Police Service (“ZPS”) signed an MoU at the Commission’s offices in Lusaka. The MoU seeks to strengthen collaboration between the two institutions by combining the Commission’s regulatory expertise with the enforcement powers of the Zambia Police to enhance investor protection, maintain market confidence, and promote compliance with the law.

The signing of the MoU underscores a shared commitment

to deepen institutional cooperation, reinforce regulatory enforcement, and close any gaps in the

protection of investors and the preservation of the rule of law within Zambia’s capital markets. The Commission intends to fully leverage this partnership in advancing its investor protection mandate.

Stakeholder Engagement with Capital Market Operators

On 14th October 2025, the Commission convened a stakeholder engagement workshop with CMOs on Anti-Money Laundering, Countering the Financing of Terrorism, and Proliferation Financing (“AML/CFT-PF”) reporting requirements.



The half-day event held under the theme “AML/CFT-PF Reporting Requirements for CMOs,” was aimed at enhancing understanding of CMOs’ reporting obligations under the AML/CFT-PF regulatory framework and emphasised the importance of these obligations in relation to Zambia’s national AML/CFT-PF risk profile and capital market sector risk assessment. The engagement was convened in

response to observed instances of failure or neglect by some CMOs to submit suspicious transaction and currency reports to the Financial Intelligence Centre (“FIC”).

The workshop also served as a platform for dialogue and feedback on the challenges CMOs face in meeting their reporting obligations. Given the subject matter, the FIC was identified as a strategic partner and was invited to deliver a presentation during the session.

Strategic Outcome of Collaborative Engagements

The strategic outcome of each of the engagements is highlighted in the following table:

Initiative	Strategic Outcome
Engagement with Mobile Network Operators	Strengthened access to electronic evidence and enhanced cooperation in investigations.
Memorandum of Understanding with the Law Association of Zambia	Expanded investor education, legal capacity building and public awareness of securities regulation.
Memorandum of Understanding with the Zambia Police Service	Enhanced investigation and enforcement capabilities through closer institutional cooperation.
Law Enforcement Agencies Forum	Improved intelligence sharing and coordination in combating financial crime.
AML/CFT Workshop for Capital Market Operators	Strengthened compliance with suspicious transaction reporting obligations and national AML/CFT requirements.
CMAZ Stakeholder Engagement	Promoted dialogue on innovative capital market products and regulatory improvements.

Collectively, these engagements strengthened regulatory cooperation, improved compliance and reinforced investor protection.

Regional and International Cooperation

The Commission continued to strengthen its regional and international partnerships through benchmarking and knowledge-sharing initiatives.

During the year, the Commission hosted delegations from the Financial Services Regulatory Authority of Eswatini and the Capital Markets Tribunal of Tanzania. These engagements provided valuable opportunities to exchange experiences on investor protection, enforcement practices, regulatory reforms and market development.

The Commission also participated in the launch of the Capital Markets Tribunal's 2024–2028 Strategic Plan, reaffirming its commitment to strengthening Zambia's capital markets dispute resolution framework.

Looking Ahead

Building on the achievements recorded during 2025, the Directorate will continue to strengthen regulatory enforcement and modernise Zambia's securities regulatory framework.

Priority initiatives for 2026 include:

- progressing the repeal and replacement of the Securities Act;
- advancing the Commission's IOSCO EMMoU application;
- strengthening technology-enabled investigations;
- enhancing cooperation with domestic and international regulatory agencies; and
- expanding investor education and market integrity initiatives.

These priorities will further strengthen the Commission's ability to detect and deter market misconduct, enhance investor confidence and support the continued development of fair, efficient and transparent capital markets in Zambia.

MARKET TRANSACTIONS

The Securities Act requires all securities, including private funds and collective investment schemes (CISs), offered to the public to be registered or authorised by the Commission before they may be marketed or issued. In addition, the Commission reviews and approves mergers, acquisitions and other corporate transactions involving entities whose securities are regulated under the Act. These regulatory approvals form an integral part of the Commission’s investor protection mandate by ensuring that securities offered to the investing public satisfy the applicable disclosure and regulatory requirements, thereby enabling investors to make informed investment decisions. Similarly, the Commission’s oversight of mergers and acquisitions promotes orderly and transparent corporate transactions, safeguards the interests of minority shareholders and supports confidence in Zambia’s capital markets.

During the year ended 31 December 2025, the Market Transactions Unit within the Directorate of Finance and Administration processed a broad range of applications relating to the registration of securities, authorisation of private funds and collective investment schemes, mergers and acquisitions, and other regulated market transactions. The Unit also considered applications for statutory waivers and exemptions under the Securities Act, together with other matters requiring regulatory approval.

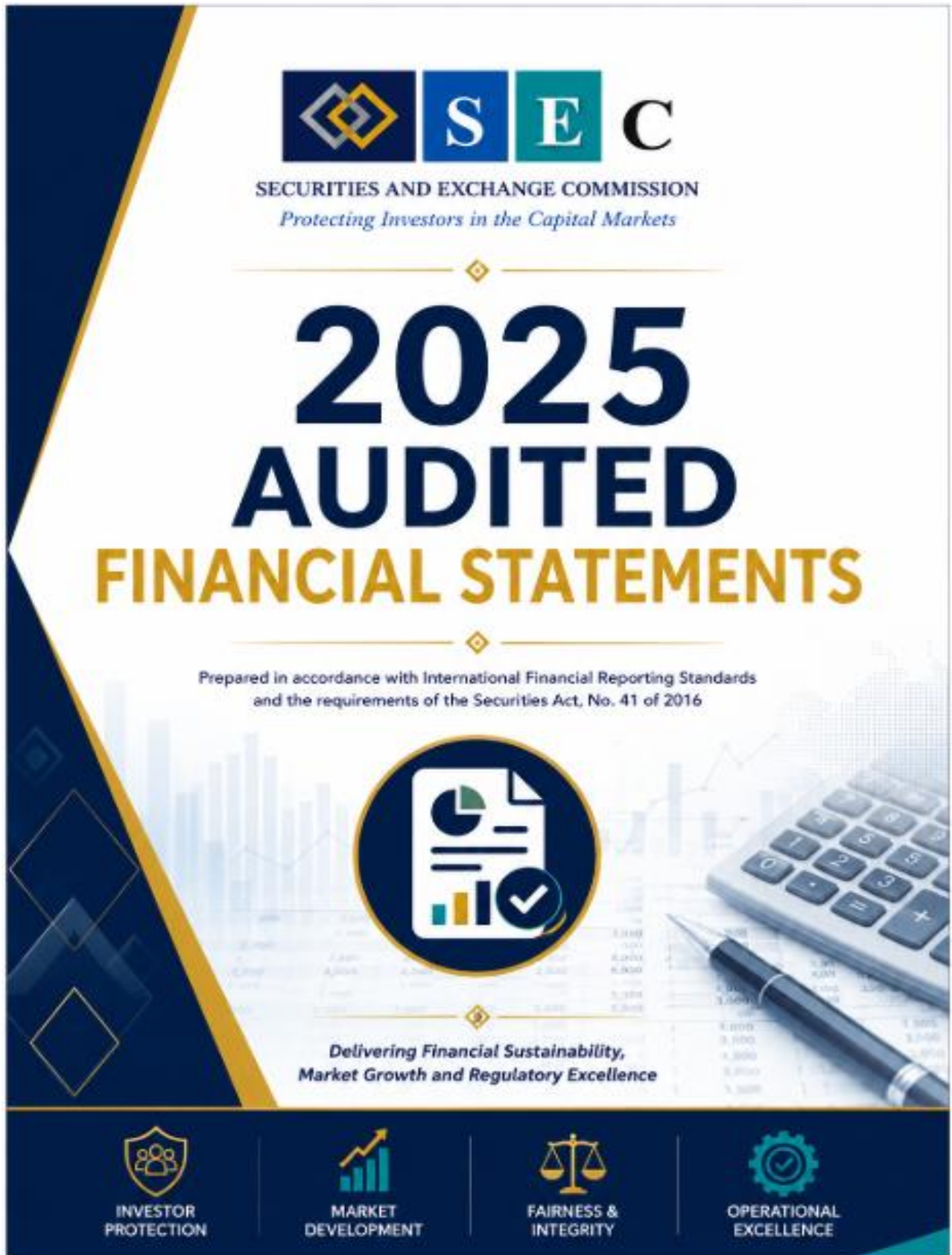
The Commission continued to process applications efficiently while maintaining rigorous regulatory standards to ensure that only transactions meeting the requirements of the Securities Act and the applicable Rules and Regulations were approved. The table below summarises the securities registrations, fund authorisations and other market transaction approvals granted during the year under review.

DATE RECEIVED	COMPANY	TYPE AND NUMBER OF SECURITIES/OR TRANSACTIONS	DATE APPROVED/ DEFERRED	PURPOSE OF MEETING
26/02/2025	ZFI	Waiver	26/02/2025	To consider application for a waiver from making a mandatory offer
21/05/2025	Real Estate Investment Zambia Plc	Waiver	21/05/2025	To consider the application for a waiver from complying with clause 7.1.2 of the Real Estate Investment Trust Guidelines 2020
21/05/2025	Real Estate Investment Zambia Plc	Amendment	21/05/2025	To consider proposed amendment to clause 7.1.2 of the Real Estate Investment Trust Guidelines 2020
21/05/2025	Real Estate Investment Zambia Plc	Waiver	21/05/2025	To consider the application for a waiver from complying with clause 5.1.7 of the Real Estate Investment Trust Guidelines 2020
21/05/2025	Xtenda Finance Limited	Revocation	21/05/2025	To consider the revocation of registration of securities
13/08/2025	British International Investments	Waiver	13/08/2025	To consider application a for a waiver from making a mandatory offer
13/08/2025	Hobbiton Investment Limited	Authorization	13/08/2025	To consider application for the authorization of a Real Estate Investment Trust
29/09/2025	British International Investments	Waiver	29/09/2025	To consider application for a waiver from making a mandatory offer
23/10/2025	Dot com Zambia Plc	Registration	23/10/2025	To consider application for registration of securities

PHILLIP K. CHITALU
CHIEF EXECUTIVE OFFICER

Securities and Exchange Commission_2025 Annual Report

2025 Financial Statements



SEC
SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

2025 AUDITED FINANCIAL STATEMENTS

Prepared in accordance with International Financial Reporting Standards
and the requirements of the Securities Act, No. 41 of 2016

*Delivering Financial Sustainability,
Market Growth and Regulatory Excellence*

INVESTOR PROTECTION

MARKET DEVELOPMENT

FAIRNESS & INTEGRITY

OPERATIONAL EXCELLENCE



Audit · Advisory · Tax

**Securities and Exchange
Commission**

**Financial Statements
31 December 2025**

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial Statements For the year ended 31 December 2025

CORPORATE INFORMATION

Country of incorporation and domicile	Zambia
Nature of business and principal activities	The Securities and Exchange Commission established in 1993, is the regulator of the capital markets in Zambia. The Commission is responsible for the supervision and development of Zambian capital markets to ensure that they contribute to the economic development of the country.
Commissioners who held office in 2025	
Mrs Ruth Mugala (Term ended Mar 2025)	Board Chairperson
Mr. Paul Nkhoma (Appointed Dec 2025)	Board Chairperson
Mr. Alick E. Mutambo (Appointed Dec 2025)	Vice Chairperson
Dr. Leonard N. Kalinde (Term ended Feb 2025)	Commissioner
Ms. Mercy C. Munoni	Commissioner
Mrs. Diana Majokwe Shamabobo	Commissioner
Ms. Brenda Mwanza	Commissioner
Mrs. Sibajene Zulu	Commissioner
Mr. Mulenga Sholomo (Appointed Nov 2025)	Commissioner
Mr. Phillip K. Chitalu	Chief Executive Officer (ex-officio)
Registered Office and Principal Place of Business	Securities and Exchange Commission Stand No. 5475 Corner of Great East Road and Libala Road, Kalundu
Principal Bankers	Absa Bank Zambia Plc Absa House Stand No. 2374 Kelvin Siwale Road Lusaka
Auditors	Mark Daniels CHAZ Complex Plot No.2882/B/5/10 Third Floor, Suite F3-10/F3-11 Off Great East Road Mission Drive, Waters Lusaka
Board Secretaries who held office	Diana S. Sichone- (Commission's Board Secretary and Director Enforcement and Legal Services)

SECURITIES AND EXCHANGE COMMISSION (SEC)
Report and Financial Statements
For the year ended 31st December 2025

Contents	Page
Report of the Commissioners	1 - 17
Statement of Commissioners' responsibilities	18
Independent auditor's report	19 - 22
Statement of comprehensive income	23
Statement of financial position	24
Statement of changes in funds	25
Statement of cash flows	26
Notes to the financial statements	27 - 51
Detailed expenses	Appendix

The Securities and Exchange Commission's Board of Commissioners present their report, with the audited accounts for the year ended 31 December 2025.

1. Organisation

The Securities and Exchange Commission (the "Commission" or the "SEC") is a statutory body established under the repealed Securities Act, Cap 354 of the Laws of Zambia ("the repealed Act") and whose existence is continued under the Securities Act, No. 41 of 2016 ("the Securities Act") as amended by Act No. 21 of 2022. The Commission is located only in Lusaka (Zambia) at Stand No. 5475, corner of Libala and Great East Roads, Kalundu.

Its mission is "To safeguard interests of investors and promote the growth of capital markets for individual and national prosperity." Further the Commission aims to stimulate the expansion and grow the capital market in order to make a sustainable contribution to the economic development of Zambia. Its vision is to be "A dynamic regulator of a capital market that is the preferred destination for investments." The Commission strives to be a capital markets regulator that offers a conducive market environment for raising long-term capital needed for a thriving economy.

2. Functions

In line with its primary statutory mandate, the Commission's function is to create and promote conditions in the capital markets aimed at ensuring an orderly growth, integrity and development of the capital markets.

Specifically, the Commission is mandated to perform the following functions:

- (i) Ensure compliance with the Act and regulations or rules made in accordance with the Act.
- (ii) License securities exchanges, regulate the activities of securities exchanges and the settlement of securities transactions;
- (iii) License and regulate capital markets operators;
- (iv) License and regulate clearing and settlement agencies and other participants in the capital markets;
- (v) License and regulate credit rating agencies and provide conditions for the issuing of credit ratings;
- (vi) Approve the constitutions, charters, articles, by-laws, and rules governing and pertaining to securities exchanges, clearing and settlement agencies and other participants in the capital markets;
- (vii) Promote and encourage high standards of investor protection and integrity among members of securities exchanges, capital markets operators, clearing and settlement agencies, self-regulatory organisations, and other participants in the capital markets;
- (viii) Support the operation of a free, orderly, fair, secure, and properly informed capital market;
- (ix) Regulate the manner and scope of securities transactions;
- (x) Regulate margin requirements, capital adequacy requirements, disclosure and reporting requirements and clearing and settlement requirements, as may be prescribed;
- (xi) Take all reasonable steps to safeguard the interest of persons who invest in securities and guard against illegal and improper practices as provided in the Act;
- (xii) Authorise the establishment of collective investment schemes and other schemes;

2. Functions (continued)

- (xiii) Regulate the activities of managers, trustees, and custodians;
- (xiv) Authorise and regulate the establishment of private funds;
- (xv) Consider and suggest proposals for the reform of the Act and rules and regulations made in accordance with the Act;
- (xvi) Promote and develop a system of self-regulation by securities exchanges, clearing and settlement agencies, self-regulatory organisations, other participants in the capital markets and capital markets operators, as may be prescribed;
- (xvii) Encourage the development of securities and securities exchanges and the increased use of such exchanges;
- (xiii) Provide, promote, or otherwise support financial education, awareness and confidence with regard to financial products, institutions and services;
- (xix) Prescribe certification standards and accreditation for licensees;
- (xx) Co-operate with, provide assistance to receive assistance from, and exchange information with, other regulatory bodies and trade organisations in Zambia and elsewhere;
- (xxi) Exercise and perform such other functions as may be conferred or imposed upon it by or in accordance with this Act or any other written law; and
- (xxii) Vet a substantial shareholder in accordance with the vetting criteria contained in guidelines issued by the Commission, including the substantial shareholder's source of funds, and the beneficial owner of a company whose securities are registered, or which is authorised or licensed under the Act.

3. Commissioners

(a) *Composition*

The Commission is subject to legislative requirements regarding the composition, powers, functions, and responsibilities of the Board. The Board of Commissioners is accountable to Parliament through the Minister of Finance and National Planning ("MoFNP"). The Commission is governed by a Board of Commissioners appointed by the Minister responsible for Finance and National Planning and each of the Board Members can serve for a period of three (3) years and may be appointed to serve another three-year term. The Board consists of representatives from the following institutions:

- (i) The Bank of Zambia;
- (ii) The Law Association of Zambia;
- (iii) The Zambia Institute of Chartered Accountants;
- (iv) The Zambia Chamber of Commerce and Industry;
- (v) The Ministry responsible for Finance and National Planning;
- (vi) The Ministry responsible for Justice; and
- (vii) The Pensions and Insurance Authority.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Report of the Commissioners'
For the year ended 31st December 2025

3. Commissioners
(b) Identities

Name of Commissioner	Position and Institution Represented	Date of change	Reason for change
Mrs Ruth Mugala	Chairperson - Zambia Institute of Chartered Accountants	24 th March 2025	Term Expiry
Mr. Paul Nkhoma	Board Chairperson – Zambia Chamber of Commerce and Industry	18 th December 2025	Appointed as Board Chairperson
Mr. Alick E. Mutambo	Vice Chairperson - Zambia Institute of Chartered Accountants (Appointed 13 th May 2025)	18 th December 2025	Appointed as Board Vice Chairperson
Mr. Mulele Mulele	Commissioner-Ministry of Finance and National Planning	21 st February 2025	Left the Board following Appointment as Permanent Secretary
Ms. Mercy Munoni	Commissioner-Ministry of Finance and National Planning (Appointed 22 nd April 2025)	22 nd April 2025	New Appointment
Mrs. Diana Majokwe Shamabobo	Commissioner-Ministry of Justice	n/a	n/a
Ms. Brenda Mwanza	Commissioner-Bank of Zambia	n/a	n/a
Mrs. Sibajene Zulu	Commissioner-Pensions and Insurance Authority	n/a	n/a
Dr Leonard N. Kalinde	Commissioner - Law Association of Zambia (Term expired 16 th February 2025)	16 th February 2025	Term Expiry
Mr. Mulenga Sholomo	Commissioner - Law Association of Zambia (Appointed 12 th November 2025)	12 th November 2025	New Appointment
Mr. Phillip K. Chitalu	Ex-officio member of the Board Chief Executive Officer	n/a	n/a

The Board of Commissioners' appointment dates, terms of office, committee membership and their biographies are available from the Commission, along with details of recent changes to Board membership.

(c) Commissioners' Interests

None of the commissioners held an interest in the Commission's capital resources.

(d) Commissioners' Emoluments

Commissioners' emoluments during the year amounted to: K1.510 million (2024: K1.367 million).

4. Management

Management is responsible for implementation of the core functions of the Commission. The day-to-day operations of the Securities and Exchange Commission (SEC) are managed through the Commission's Chief Executive Officer who is appointed by the Board of Commissioners. Other directorates of the Commission are the Directorate of Market Supervision and Development (DMSD), the Directorate of Enforcement and Legal Services (DELS) and the Directorate of Finance and Administration (DFA).

The following served in the Commission's Management team during the reporting period:

Mr. Phillip K. Chitalu	Chief Executive Officer
Mrs. Diana S. Sichone	Director - Enforcement & Legal Services/Commission Secretary
Mr Nonde Sichilima	Director - Market Supervision & Development
Mr. Bruce Mulenga	Manager - Market Transactions & Investments
Mr. Mateyo Lungu	Manager - Finance
Mrs. Leah Simasiku	Manager - Market Supervision
Ms. Getrude Buyungwe	Manager - Market Supervision
Mrs Sitala Mugala	Acting Manager - Market Development (Appointed November 2025)
Mrs. Dingase Makumba	Manager - Market Development (Resigned November 2025)
Mr. Mubanga Kondolo	Manager - Financial Inclusion
Mrs. Chikasuka Phiri-Jere	Manager - Law Reform and Enforcement
Mr. Eugene Chisenga	Acting Manager – Investigations and Enforcement (Appointed July 2025)
Mrs Kambole C. Seta	Manager – Investigations and Enforcement (Left July 2025)

The role of the Chief Executive Officer is set out in the Securities Act. The Chief Executive Officer has executive responsibility for the;

- (a) Management and administration of the affairs of the Commission;
- (b) Implementation of the decisions of the Board; and
- (b) Performance of any other function assigned or delegated to the Chief Executive Officer by the Board or in accordance with the Securities Act.

5. Financial Review

- (a) *Capital*
Because the Commission has no subscription capital, capital resources comprise accumulated funds and unamortised balances of revenue (unrestricted fund) and deferred revenue (restricted funds).
- (b) *Operating Results*
The operating result for the year was a surplus of ZMW 100.638 million (2024: Surplus ZMW 65.976 million).

5. Financial Review (continued)

(c) *Income*

- (i) Total grants received from GRZ amounted to ZMW 10.199 million (2024: ZMW 10.199 million).
- (ii) Fees, levies, and commissions amounted to ZMW 133.921 million (2024: ZMW 89.763 million)
- (iii) Investment and sundry income amounted to ZMW 39.008 million (2024: ZMW 31.659 million).

(d) *Expenditure*

Expenditure was ZMW 90.750 million (2024: ZMW 80.224 million). The main items were staff costs of ZMW 45.421 million (2024: ZMW 38.640 million) and recurrent expenditures of ZMW 32.358 million (2024: ZMW 31.970 million). Impairment losses were ZMW 0.080 million (2024: ZMW 0.100 million).

(f) *Related Party Transactions*

The Commission's related parties include Board of Commissioners and senior executive management. Related parties and related party transactions are discussed in Note 29 of the financial statements.

6. Challenges and Risk Factors

(a) *Challenges of Capital Market Regulation*

The Commission has for a long time aimed to lay the foundation for an efficient, orderly, and fair capital market in Zambia which is as sustainable and globally competitive.

(i) *Effective Supervision:*

The Commission uses a Risk-Based Supervision (RBS) approach to manage the risks that arise within the capital markets, and which may impede the achievement of its mandate. Using RBS, the Commission aims to identify risks early, ensuring timely intervention to avoid loss to investors and ensure orderly development of capital markets. To achieve this the Commission undertakes risk assessments, market surveillance, investigations and enforcement.

(ii) *Enhancing Capital Market Participation*

Even as the local capital market vies for visibility in the international arena, especially the region, the benefits it offers for investors at home remain unexploited. Our efforts in relation to enhancing retail investor literacy continued to be featured frequently in print media. Our support of professionals in building upon their competencies resulted in the completion of several continuing professional development programmes over the course of the year, increasing the total number of personnel trained. In the year ahead, we look forward to reviewing and revising the present iteration of the capital market qualification framework to better reflect new and anticipated developments in capital markets.

We remain committed to our intention, as articulated in the 2022-2026 strategic plan, to provide market participants with a safe and well-regulated space in which they may explore innovative means of fundraising and investment. These include, in particular, the

6. Challenges and Risk Factors

(a) *Challenges of Capital Market Regulation (continued)*

The SEC, with the leadership of the MoFNP, is spearheading the implementation of the 10-year Capital Markets Master Plan (CMMP), which Plan aims to address impediments to developing the markets. The CMMP has identified development areas, which includes the promotion of new innovative products and markets. The Plan also caters for enhancing existing markets. The market for corporate bonds and the unit trust industry has long been at the receiving end of many facilitative initiatives of the SEC, often with demonstrable results. Our focus in respect of these markets has been on long-term growth and sustainability, and as in previous years, we have continued to make progress. Elsewhere, we are deeply invested in ensuring that capital market participation is broad based through greater market participation, and that the challenges faced by market participants are addressed effectively whenever they are so required.

- (iii) **Rules for Licensees:** We have taken several measures in line with the new Securities Act formulating minimum standards common to all market intermediaries, reviewing existing rules applicable to them, and drafting new rules to be adopted under the new Act. In keeping with our commitment to improving our engagement with industry, issuers and the investing public, these rules and standards are released at appropriate times and forums.
- (iv) **Issuer Compliance:** The SEC has been working on developing and implementing rules for the enforcement of several continuous listing requirements, including those on submission of financials, maintenance of a minimum public holding, and the fulfilment of corporate governance requirements. The enforcement procedures so established ensure that failure by listed companies to comply will result in commensurate penalties.
- (v) **High quality Financial Reporting:** The SEC believes it is useful to make preparers and auditors of financial statements aware of the topics on which the SEC has been working and focusing on. In that regard, the integrity of the financial reporting system is critical. This financial reporting system, which has been established through the combined efforts of both the public and private sectors, is designed to provide investors with comparable, consistent, and transparent information necessary to make informed investment decisions. High quality financial reporting serves as the foundation and source of information for our entire disclosure system. A key attribute of our financial reporting system is transparency, which is the complete reporting and disclosure of transactions such that the financial statements reflect the underlying results of the business in conformity with International Financial Reporting Standards (IFRS). Globalisation of business and capital markets, technology enhancements that make it possible for significant currency flows across borders at the push of a button, the growth in the volume and magnitude of investments in the capital markets, the current price-earnings ratios, and the market's reaction when surprises occur, as well as other factors, have increased the need for greater transparency for investors in the capital markets. The SEC believes that the qualitative characteristics of accounting information, such as those set forth in the International Accounting Standards Board's (IASBs) Concepts Statements, provide the best basis for a discussion of the quality and transparency of a licensee's financial reporting.

6. Challenges and Risk Factors

(a) *Challenges of Capital Market Regulation (continued)*

These characteristics include factors such as relevance and reliability, as well as verifiability, neutrality, comparability, consistency, timeliness and representational faithfulness (the degree to which the accounting actually represents the transaction or event). SEC requires the independent public accountant or auditor to have a discussion with the audit committee regarding the auditor's judgment about the quality, not just acceptability, of the entity's financial reporting. The amendment notes the following examples of items that could impact the quality of financial reporting:

- Selection of new or changes to accounting policies: Estimates, judgements, and uncertainties and unusual transactions: Accounting policies relating to significant financial statement items, including the timing of transactions and the period in which they are recorded. Some believe that conservatism is a characteristic that should be discussed. Since a preference that possible errors in measurement be in the direction of understatement rather than overstatement of net income and net assets introduces a bias into financial reporting, conservatism tends to conflict with significant qualitative factors such as representational faithfulness, neutrality, and comparability (including consistency). Conservatism in financial reporting should no longer connote deliberate, consistent understatement of net assets and profits. Any attempt to understate results consistently is likely to raise questions about the reliability and integrity of the information about those results and will probably be self-defeating in the long run.

Accordingly, the consistent understating of results (i.e., conservatism) or overly optimistic estimates of realisation (i.e., lack of conservatism or aggressiveness) are inconsistent with the characteristics of quality financial reporting needed for transparent reporting in today's markets.

- Auditor's Independence: By certifying the public reports that collectively depict an entity's financial status, the independent auditor assumes a public responsibility transcending any employment relationship with the client. The independent public accountant performing this special function owes ultimate allegiance to the entity's creditors and shareholders and investors, as well as the investing public. SEC's function demands that the accountant maintains total independence from the auditee at all times and requires complete fidelity to the public trust. If auditors do not meet the expectations of the investing public and the public loses its confidence in the role performed by the auditor as an objective and independent third party, there will be irreparable harm done to the value of that role. Accordingly, the SEC reiterates the need for auditors to maintain their integrity, objectivity, and independence, and when necessary to make the tough calls on the tough issues. In making these calls, auditors should keep foremost in mind that the investing public is their client. The ultimate responsibility for the selection and engagement of an independent auditor rests with the issuer. Accordingly, we encourage the audit committee and financial management of each registrant to have a robust discussion with the auditor. Management and the audit committee should inquire as to whether the firm, its partners, and its employees have complied with the firm's, the profession's, and the SEC's independence rules with respect to the audit of the licensee's financial statements.

6. Challenges and Risk Factors

(a) *Challenges of Capital Market Regulation (continued)*

We also encourage each Capital Market Operator's (CMO) audit committee and financial management to inquire as to the types of quality controls an audit firm has, both in the Zambian and in its international affiliates where audit work is performed for the registrant. Some registrants have had to replace their auditor due to the auditor's lack of compliance with the independence rules. Some of these situations have arisen as a result of a lack of high-quality internal controls.

During the year 2025, the SEC worked with ZICA and members of the audit profession to strengthen the quality of controls on audit reporting.

- Issuance of Financial Statements: Financial statements must be free of material error as of the date they are filed with the Commission. For example, assume a CMO or registrant widely distributes financial statements, but before filing them with the Commission, the registrant or its auditor become aware of an event or transaction that existed at the date of the financial statements, and the causes those financial statements to be materially misleading. If a registrant does not make corrections to the financial statements so that they are free of material misstatement or omissions when they are filed with the Commission, the registrant knowingly will be filing a false and misleading document. In addition, registrants are reminded of their responsibility to, at a minimum, disclose subsequent events, while independent auditors are reminded of their responsibility to assess subsequent events and evaluate the impact of the events or transactions on their audit report.

- (vii) Looking Ahead: The present work of the SEC focuses on laying a foundation for an efficient, orderly, and fair capital market which is both competitive and sustainable. This goal, and the initiatives begun towards this end, undoubtedly portends interesting times ahead for regulators and licensees alike. To brace ourselves for the way ahead, we at the SEC recognise the need to stay true to our course as regulators even as we rally our resources, ease our regulatory burden, and make full use of existing technology to meet regulatory needs. In 2026, as in past years, we will be working towards fulfilling these needs to the best of our ability.

As we embark on this new phase of capital market reform, much remains to be said of the most valuable hands on deck: the Chairperson, Commissioners, Chief Executive Officer, other Commission's staff who together guide and support the work of the Commission and whose foresight and conviction stimulate careful deliberation of capital market policies; the staff, whose proven commitment to uplifting the capital market and the national economy is the SEC's greatest asset; and the Ministry of Finance and National Planning, licensees, and the media, whose support has been pivotal to many of our successes. It is our hope that these good graces will continue to benefit us as we continue to deliver on our regulatory and development agenda.

6. Challenges and Risk Factors

(b) *Operational Risk*

Operational risk is the risk of losses from inadequate or failed internal processes and systems, caused by human error or external events. It has a broad scope and includes transaction authorisation and processing; completeness of income recording; payments processing and the management of information, data quality and records. The following are the main risks noted under this classification:

- (i) **Impact of Changing Markets, Responsibilities and Developments:** Changes in the securities markets and financial industry, as well as difficult fiscal realities, have entity wide impacts. As markets evolve, so must the SEC. These types of industry developments and financial innovation will continue to present challenges to SEC, requiring additional staff expertise, resources, and a program that is agile, responsive, and continuously improving and is well funded.
- (ii) **Importance of Leveraging Technology and Analytics:** As in previous years, the Commission recognises that technology and analytics are critical to the mission of the SEC and its ability to deliver information to the public, identify risks, uncover frauds, sift through large volumes of data, inform policy making, and streamline operations. Other key information technology initiatives include improving examinations through risk assessment and surveillance tools; enhancing systems that support the enforcement program. Long-term investment and development in technology and analytical tools will be critical to the future success of the Commission's oversight responsibilities. Particularly important since the new Act will be a continued focus on enhancing quantitative and data analytic efforts. These tools will provide SEC with a greater ability to monitor trends and emerging risks, ultimately enabling it to allocate its resources more effectively.
- (iii) **Infrastructural Enhancements:** The roles of the SEC to regulate and develop the market often eclipse the equally important task of facilitating the enabling of infrastructural enhancements. We have since come to recognise the need to introduce solutions which are tailored to the present state of the local capital market.
- (iv) **Financial Crime Risk -** Financial crime risk is the risk that the Commission suffers losses as a result of internal and external fraud or intentional damage, loss or harm to people, premises or its moveable assets. The risk is directly attributable to its people risk.
- (v) **People Risk -** People risk arises from failures of the Commission to manage its key risks as an employer, including lack of appropriate people resource, failure to manage performance and reward, unauthorised or inappropriate employee activity and failure to comply with employment related requirements.

6. Challenges and Risk Factors

(c) *Legal Risk*

The Commission is subject to a comprehensive range of legal obligations, covered by the Securities Act No. 41 of 2016. As a result, it is exposed to many forms of legal risk, which may arise in a number of ways: its business may not be conducted in accordance with requirements of the Act; contractual obligations may either not be enforceable as intended or may be enforced against the Commission in an adverse way; the Commission may face risk where legal proceedings are brought against it, in the course of carrying out its mandate, etc. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered, even if the Commission is successful.

(d) *Reporting Risk*

- (i) **Financial Reporting Risk** - Financial reporting risk arises from a failure or inability to comply fully with regulations or codes in relation to the preparation, presentation, or disclosure of financial information. Non-compliance could lead to damage to reputation or, in extreme cases, withdrawal of external funding.
- (ii) **Accounting Risks** - The Commission's future performance and results could be materially different from expected results depending on the outcome of certain potential risks and uncertainties, details of which are discussed above. The reported results of the Commission are also sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements.
- (iii) **Financial Risks** - The Commission through its normal operations is exposed to a number of risks on its financial instruments, the most significant of which are credit and liquidity. Market (currency and interest) risks are generally low. The two main risks on its financial instruments are generally deemed to be within manageable limits.
- (iv) **Revenue Recognition**
 - **Year-End Cut-off Testing:** Many of the revenue frauds involve improper cut-off as of the end of the respective period. The SEC believes that auditors need to conduct appropriate period-end cut-off procedures. This is particularly important for audits of businesses that experience a high level of sales transactions or individually significant sales transactions near the end of the financial reporting period. In addition, for significant and unusual revenue transactions, especially those at or near the end of a quarterly or year-end reporting period, the auditor should consider confirming all significant terms of the transaction rather than just the outstanding account receivable balance.

6. Challenges and Risk Factors

(d) *Reporting Risk (continued)*

- **Related Party Side Agreements:** Because side agreements often between related parties often include unilateral cancellation, termination, or other privileges for the customer to void the transaction, side agreements pose a significant risk to proper revenue recognition. Companies should create sufficient internal controls to ensure that any agreements or alterations to sales contracts that are evidenced by side agreements are given proper accounting recognition. Auditors should perform procedures, including confirmation of the terms of significant contracts, that would assist them in detecting side agreements.
- **Questionable Revenue Recognition Practices:** The SEC continues to encounter cases of questionable and inappropriate revenue recognition practices. Significant issues include:
 - Complex arrangements that provide for multiple different deliverables (e.g., multiple products and/or services) at different points in time during the contract term.
 - Non-monetary transactions where fair values are not readily determinable with a sufficient degree of reliability.
- **Income Statement Classification:** The appropriate classification of amounts within the income statement or statement is as important as the appropriate measurement or recognition of such amounts. IFRSs regarding classification of amounts. In addition, auditors should ensure that all such classifications are materially correct.
- **Useful Lives of Intangible Assets:** IAS 38 requires that all intangibles be identified and assigned a fair value in the purchase price allocation of a purchase business combination. This would include intangibles such as patents, intellectual property, customer lists, an engineering workforce, favourable contracts, etc. IAS 38 requires that the recorded costs of the intangible assets acquired, including goodwill, be systematically amortised to income over the periods benefited. In addition to IAS 38, other factors that SEC believes are relevant in determining useful lives for intangible assets include:
 - The significance of competition in the industry, the ability of competitors to negatively affect the profitability of the acquired business, and the barriers to market entry.
 - The impact of potential or expected changes in technology on product margins and life cycles and the importance of technological innovation to the product's future success and profitability.
 - Legislative action that results in an uncertain or changing regulatory environment.

6. Challenges and Risk Factors

(d) *Reporting Risk (continued)*

The SEC will challenge a registrant that merely conforms its goodwill life to its peer companies. Companies should perform an analysis of the factors and assumptions discussed above that are to be used in determining the appropriate useful life of goodwill in each specific acquisition. This analysis should be adequately documented when the asset is acquired, and amortisation begins. A company should continually evaluate the periods of goodwill and other intangible asset amortisation, including considering the impact of changes in the factors noted above, to determine whether subsequent events and circumstances warrant revised estimates of useful lives or salvage values.

- **Fair Value of Financial Instruments:** IFRS 9 generally requires all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Disclosures are not required for trade receivables and payables when their carrying amount approximates fair value. A registrant must have documented evidence to support an assertion that the fair value of trade accounts receivable approximates carrying amount in order to avoid making the disclosure of fair value. In instances where it is not practicable to estimate the fair value of a financial instrument, IFRS 9 requires disclosure of:

- Information pertinent to estimating the fair value of that financial instrument or class of financial instruments, such as the carrying amount, effective interest rate, and maturity; and

- The reasons why it is not practicable to estimate fair value.

- As part of the audit of the financial statements, auditors have a responsibility to audit the assertions made in the footnotes to the financial statements. As part of that process, auditors are required to review and adequately test objective verifiable evidence supporting assertions about the fair value of financial instruments to the financial statements. For example, auditors should review and adequately test a registrant's documentation supporting the assertion that the carrying amount of certain receivables approximates fair value.
- **Restructuring Charges:** Restructuring charges and other loss accruals must be supported under IFRS at the time established. Such liabilities should be analysed at each balance sheet date and adjusted as required by IFRS. Any need to adjust the accrued liabilities should be completed on a timely basis and should be adjusted against only the financial statement line item through which the accrued liabilities were originally recorded. Amortising immaterial amounts of the accrued liabilities into income after concluding that no basis exists for ongoing accrual, rather than reversing the entire accrual, would be indicative of inappropriate earnings management. Similarly, maintaining an unsupported restructuring liability or other loss accrual and offsetting or reducing it in a later period for a change in an unrelated item would be inappropriate and not in conformity with IFRS.

6. Challenges and Risk Factors

(d) *Reporting Risk (continued)*

- Carefully consider all the risk factors set forth in Statement in ISA 240, Consideration of Fraud in a Financial Statement Audit, and how for a particular auditee, existing risk factors should be assessed and related to the specific determination of the nature, timing, and extent of the audit tests.
- In light of the business, industry, and control risks affecting the company, as well as the subjective nature of the particular types of estimates being examined, consider the type of verifiable, objective evidence that would be required to support the account balances. ISA 230 and ISA 315 discuss the need for appropriate audit documentation as well as adequate internal accounting controls.
- Test not only ending balances, but also the propriety and classification of activity in the accounts during the periods presented. The testing should not be limited to merely determining if the liability is understated, but rather whether it is properly stated such that the financial statements are fairly presented in all material respects. The SEC acknowledges the judgement involved in reporting certain liabilities and that a range of possible or probable losses may exist. But the SEC has and will continue to challenge loss accruals that are either materially understated or overstated, including when understated or excess liabilities are used to manage earnings.
- Disclosure of Loss Contingencies: The SEC reminds companies and their auditors of the disclosures required by IAS 37. The standard requires that companies disclose the nature of an accrual made for an estimated loss from a loss contingency. If no accrual is made or if an exposure to loss exists in excess of the amount accrued, the company is required to disclose the contingency when it is other than remote (that is, reasonably possible) that a loss or an additional loss may have been incurred. The disclosure should include the nature of the contingency and an estimate of the possible loss or range of loss or state that such an estimate cannot be made. General "loss accruals and reserves" are prohibited by IAS 37. Some enterprises have in the past accrued so-called reserves for general contingencies.' General or unspecified business risks do not meet the condition for accrual in paragraph 8, and no accrual for loss should be made.
- Segment Information: ISA 500, requiring, among other things, that auditors "review corroborating evidence, such as information that the chief operating decision maker uses to assess performance and allocate resources, material presented to the board of directors, minutes from the meetings of the board of directors, for consistency with financial statement disclosures.

6. Challenges and Risk Factors

(d) *Reporting Risk (continued)*

When reviewing segment information as part of the normal review and comment process, the SEC commonly requests registrants to provide copies of the reports or other materials supplied to the "chief operating decision maker" of the company. SEC have views regarding the significance of segment information to the financial statements taken as whole. The effects of a misstatement on segment information and the relative importance of information about the affected segment to the financial statements taken as a whole should be considered in assessing the materiality of a misstatement.

The need to consider such information notes that 'situations may arise in practice where the auditor will conclude that a matter relating to segment information is qualitatively material even though, in his or her judgment, it is quantitatively immaterial to the financial statements taken as a whole.' The SEC expects that all registrants and their auditors will take such considerations into account when assessing the materiality of any misstatements identified during the course of the audit.

- Loan Loss Allowances and Effective Internal Controls
 - An institution's internal accounting controls for loan loss allowances should assure compliance with the authoritative accounting guidance contained in accounting and auditing pronouncements, including IAS 39 and IFRS 9. The accounting controls should ensure timely and accurate reporting for financial reporting purposes, including for losses and changes in the credit quality of the loan portfolio in conformity with IFRS.
 - Certain entities do not appear to have adequate controls in place to assure that loan loss allowances and provisions were determined and reported in conformity with IFRS. In some cases, institutions did not have adequate documentation and clear, concise internal communication of their policies and procedures related to loan loss allowances. As an example, we noted instances where there was a distinct disconnect between an institution's credit administration function and its financial reporting group in the accounting for loan loss allowances.
 - The central bank requires institutions to follow IFRS in recording their allowances for loan losses. Thus, the SEC has been reminding institutions that they should provide appropriate disclosures of loan loss allowances in their financial reports to ensure transparency of the information to readers of those reports.

Certain entities do not appear to have adequate controls in place to assure that loan loss allowances and provisions were determined and reported in conformity with IFRS. In some cases, institutions did not have adequate documentation and clear, concise internal communication of their policies and procedures related to loan loss allowances.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Report of the Commissioners'
For the year ended 31st December 2025

6. Challenges and Risk Factors

(d) *Reporting Risk (continued)*

- The central bank requires institutions to follow IFRS in recording their allowances for loan losses. Thus, the SEC has been reminding institutions that they should provide appropriate disclosures of loan loss allowances in their financial reports to ensure transparency of the information to readers of those reports.
- The SEC reminds companies that where statistical data, quantitative analysis, or disclosures in a registrant filing appear to be inconsistent.

7. Risk Management and Control

The Commission, through its normal operations, is exposed to a number of risks, the most significant of which are credit risks.

8. Compliance

The Commission's Board of Commissioners are responsible for establishing and maintaining adequate internal controls over financial reporting. The Commission's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRSs. The Board has responsibility for monitoring compliance with the regulatory environment and the various internal control processes and procedures.

9. Employee Benefits

The Commission has a self-managed Contract Gratuity Scheme (CGS) for all staff. The Commission makes monthly gratuity provisions and gratuities are paid as and when they fall due.

On behalf of the board:



SECRETARY

16.04.25
DATE:

Securities and Exchange Commission
Statement of Commissioner' Responsibilities
For the year ended 31st December 2025

The Securities Act, 2016 requires the Commissioners to prepare financial statements for each financial year which give a true and fair view of the financial position of the Securities and Exchange Commission and of its financial performance and its cash flows for the period then ended. In preparing such financial statements, the Commissioners are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgements and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation.

The Commissioners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission and enable them to ensure that the financial statements comply with the Securities Act, 2016. They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commissioners confirm that in their opinion

- (a) the financial statements give a true and fair view of the financial position of the Securities and Exchange Commission as of 31 December 2025, and of its financial performance and its cash flows for the period then ended;
- (b) at the date of this statement there are reasonable grounds to believe that the Commission will be able to pay its debts as and when these fall due; and
- (c) the financial statements are drawn up in accordance with IFRS Accounting Standards.

This statement is made in accordance with a resolution of the Commissioners.

Signed at Lusaka on 16.04.25



Chairperson



Commissioner

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SECURITIES AND EXCHANGE COMMISSION**

Opinion

We have audited the financial statements of the Securities and Exchange Commission which comprise the report of the Commissioners and the statement of financial position as at 31st December 2025, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the Commission's financial statements give a true and fair view of the financial position of the Commission as at 31 December 2025, and of its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Commissioners are responsible for the other information. The other information comprises the Report of the Commissioners and the detailed expenses schedule which we obtained prior to the date of this auditors' report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECURITIES AND EXCHANGE COMMISSION (CONTINUED)

Responsibilities of Commissioners for the Financial Statements

Commissioners are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Securities Act, 2016 (as amended) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SECURITIES AND EXCHANGE COMMISSION (CONTINUED)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements of Securities and Exchange Commission as at 31 December 2025 have been properly prepared in accordance with the Securities Act, 2016 (as amended) and the Laws of Zambia and the accounting and other records and registers have been properly kept in accordance with the Act.

Mark Daniels

Chartered Accountants

WKKK Kasongo

Winston Kasongo AUD/F003127
Partner signing on behalf of the firm

Lusaka

Date: *20/04/2026*

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Statement of comprehensive income

	Notes	2025 ZMW	2024 ZMW
Operating Income			
Fee Income	6	5,058,233	14,599,486
Commissions and Levies	7	133,921,469	89,762,765
Non-Operating Income			
Interest Income	8	38,994,523	31,638,614
Other Income	9	13,413,491	10,219,383
		<u>191,387,716</u>	<u>146,220,248</u>
Costs			
Impairment of Financial Assets	10	80,000	100,000
Depreciation of property and equipment	12	4,099,472	2,941,737
Depreciation of right of use assets	13	8,790,858	6,593,144
Employee Costs	Appendix	45,420,658	38,639,797
Non-Operating Costs	Appendix	<u>32,358,906</u>	<u>31,969,781</u>
		<u>90,749,894</u>	<u>80,244,459</u>
Surplus for the Year		<u>100,637,822</u>	<u>65,975,789</u>
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of property and equipment		-	<u>7,832,596</u>
Other comprehensive income for the year		-	<u>7,832,596</u>
Total comprehensive income for the year		<u>100,637,822</u>	<u>73,808,385</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

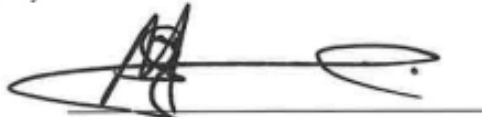
Statement of financial position

		2025 ZMW	2024 ZMW
ASSETS			
Non-Current Assets			
Property and Equipment	12	48,298,157	42,415,745
Right of use asset	13	<u>10,988,573</u>	<u>19,779,431</u>
		<u>59,286,730</u>	<u>62,195,176</u>
Current Assets			
Receivables at Amortised Cost	14	1,956,904	782,870
Other Financial Assets	15	4,823,725	4,633,385
Cash and Cash Equivalents	16	<u>391,415,126</u>	<u>301,353,469</u>
Total Current Assets		<u>398,195,755</u>	<u>306,769,724</u>
Total Assets		<u>457,482,485</u>	<u>368,964,900</u>
FUNDS AND LIABILITIES			
Funds			
Revaluation reserves		7,832,596	7,832,596
Accumulated Funds		<u>419,888,044</u>	<u>319,705,922</u>
Total Funds		<u>427,720,640</u>	<u>327,538,518</u>
Non-Current Liabilities			
Statutory Funds	17	426,163	564,665
Deferred Income	18	640,002	433,335
Investor Protection Funds	19	3,865,710	1,484,951
Lease liabilities	20	2,347,089	17,465,536
Employee Benefits Provisions	21	<u>7,568,542</u>	<u>5,224,755</u>
		<u>14,847,506</u>	<u>25,173,242</u>
Current Liabilities			
Employee Benefits Provisions	21	4,709,958	7,639,797
Payables, Accruals and Provisions	22	1,469,942	2,806,308
Lease liabilities	20	<u>8,734,439</u>	<u>5,807,035</u>
Total Current Liabilities		<u>14,914,339</u>	<u>16,253,140</u>
Total Equity and Liabilities		<u>457,482,485</u>	<u>368,964,900</u>

The financial statements on pages 20 to 51 were approved by the Board Commissioners on 16.09 2026 and signed on its behalf by:



Chairperson



Commissioner

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Statement of changes in funds

	Revaluation Reserves ZMW	Accumulated Funds ZMW	Total
Balance as at 1 January 2024	-	253,730,133	253,730,133
Total Comprehensive income for the year	-	65,975,789	65,975,789
Revaluation Surplus	7,832,596	-	7,832,596
At 31 December 2024	7,832,596	319,705,922	327,538,518
Balance as at 1 January 2025	7,832,596	319,705,922	327,538,518
Prior year adjustment (Note 31)	-	(455,700)	(455,700)
Restated balance	7,832,596	319,250,222	327,082,818
Total Comprehensive income for the year	-	100,637,822	100,637,822
At 31 December 2025	7,832,596	419,888,044	427,720,640

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Statement of cash flows

		2025	2024
		ZMW	ZMW
Cash Inflow from Operating Activities			
Surplus for the Year		100,637,822	65,975,789
Prior year adjustment	31	(455,700)	-
Depreciation on property and equipment	12	4,099,472	2,941,737
Depreciation on right of use asset	13	8,790,858	6,593,144
Loss on disposal		126,631	-
Interest Received	8	(38,994,523)	(31,638,614)
Finance costs of obligation under lease		1,786,074	2,226,137
Exchange difference		(3,201,593)	3,530,833
(Increase)/ decrease in Accounts Receivables		(1,174,034)	8,453,892
Increase in Other Receivables		(190,340)	(3,054,118)
(Decrease)/ increase in Statutory Funds		(138,502)	30,545
(Decrease)/ increase in Accruals and Provisions		(1,336,366)	586,177
(Decrease)/ increase in Employee Benefits Provisions		(586,052)	5,705,186
Increase in Investor Protection Funds		2,380,759	169,227
Increase/ (decrease) in deferred income		206,667	(159,999)
Net Cash Inflow from Operating Activities		<u>71,951,173</u>	<u>61,359,936</u>
Investing Activities			
Actual Payments to Acquire Tangible Fixed Assets	12	(10,108,515)	(28,784,359)
Interest Received	8	38,994,523	31,638,614
Net Cash inflow on Investing Activities		<u>28,886,008</u>	<u>2,854,255</u>
Financing Activities			
Interest paid		(1,786,074)	(2,226,137)
Payment of lease liability		(8,989,450)	(6,630,837)
Net Cash Outflow on Financing		<u>(10,775,524)</u>	<u>(8,856,974)</u>
Net Increase in Cash and Cash Equivalents		90,061,657	55,357,217
Cash and Cash Equivalents at the start of the year		<u>301,353,469</u>	<u>245,996,252</u>
Cash and Cash Equivalents at the end of the year		<u>391,415,126</u>	<u>301,353,469</u>
Represented By:			
Cash at Bank and in Hand	16	7,725,594	5,928,044
Short-Term Bank Deposits	16	383,689,532	295,425,425
		<u>391,415,126</u>	<u>301,353,469</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

1. The Commission

The Securities and Exchange Commission (the “Commission” or the “SEC”) is a statutory body established under the repealed Securities Act, Cap. 354 of the Laws of Zambia and whose existence is continued under the Securities Act, No. 41 of 2016 and which is headquartered in Lusaka (Zambia) at Stand No. 5475, Corner of Libala and Great East Road, Kalundu. The mandate of the Commission is to ensure that investors, both local and foreign, are protected. It is also the mandate of the Commission to promote and encourage the development of the market. This therefore entails that the Commission has a huge role of ensuring that there is a balance between investor protection and Capital Market Development.

Its mission is “To safeguard interests of investors and promote the growth of capital markets for individual and national prosperity” and stimulate the expansion and grow the capital market in order to make a sustainable contribution to the economic development in Zambia. Its vision is to be “A dynamic regulator of a capital market that is the preferred destination for investments.” Further the Commission aims to be a capital markets regulator that offers a conducive market environment for raising long term capital needed for a thriving economy.

2. Basis of preparing financial statements

The financial statements are prepared in accordance with IFRS Accounting Standards. The financial statements are presented in accordance with IAS 1 “Preparation of financial statements” (Revised 2007). The Commission has elected to present the “Statement of Comprehensive income” in two statements namely the “Profit and Loss” and the “Statement of Comprehensive Income.” They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through the statement of comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Commission’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

3. Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New standards and amendments-applicable 1 January 2025

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2025.

Title	Key requirements	Effective date*
Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	This amendment provides guidance on how to account for situations where exchangeability between two currencies is lacking. Entities must estimate the exchange rate when observable exchangeability is not available, and disclose the methods and assumptions used. This ensures consistency and transparency in financial reporting when dealing with restricted or illiquid currency markets.	1 January 2025

2.1.2 Forthcoming requirements

There are a number of standards, amendments to standards, interpretations which have been issued by the IASB that are effective in future periods and the company has decided not to adopt early.

Title	Key requirements	Effective date*
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	These amendments address financial assets with ESG-linked features and settlement of financial liabilities by electronic payments. They aim to reduce diversity in practice and improve consistency in classification and measurement. Entities will need to reassess how ESG-linked features affect contractual cash flows and update disclosures accordingly.	1 January 2026
Annual Improvements to IFRS Accounting Standards (Cycle 2022–2024)	<p>This set of improvements addresses various aspects of:</p> <ul style="list-style-type: none"> ☐ IFRS 1 First-time adoption of IFRS ☐ IFRS 7 Financial Instruments: Disclosures ☐ IFRS 9 Financial Instruments ☐ IFRS 10 Consolidated Financial Statements ☐ IAS 7 Statement of Cash Flows. <p>These improvements are designed to clarify guidance, remove inconsistencies and enhance disclose requirements.</p>	1 January 2026

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

4. Other Material Accounting Policies

The principal accounting policies applied by the Commission in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Fee income

Licensing fee income is recognised upon issue of a license. Registration fee income is recognised once securities are registered. Authorisation fee income on a takeover or merger transactions is recognised when the transaction is duly authorised. The LuSE trade commission is credited to the statement of comprehensive income on an accrual basis.

(b) Interest

Interest income is recognised on an accrual basis.

(c) Motor vehicles, furniture and equipment

Motor vehicles, furniture and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation surplus in the accumulated fund. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in accumulated fund; all other decreases are charged to the statement of comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation surplus to the accumulated fund.

Depreciation is calculated to write down the assets to residual amounts on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose, which are consistent with those of the previous year, are: -

	%
Motor vehicles	25
Office equipment	20
Computer hardware	33.3
Office furniture	25

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Notes to the financial statements

4. Other Material Accounting Policies (continued)

(c) Motor vehicles, furniture and equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income in the other operating income. When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to retained earnings.

(d) The Commission as a lessee

The Commission makes the use of leasing arrangements principally for the provision of office space. The Commission considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.' To apply this definition the Commission assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Commission.
- the Commission has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Commission has the right to direct the use of the identified asset throughout the period of use.

The Commission assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Commission recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Commission, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Commission also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Commission measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Commission's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Notes to the financial statements

4. Other Material Accounting Policies (continued)

(d) The Commission as a lessee (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Commission has elected to account for short-term leases and leases of low-value assets using the practical expedients as the lease on the building had less than 12 months to run after the year end. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(e) The Commission as a lessor

As a lessor the Commission classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

(f) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the commission becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the entity does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

Notes to the financial statements

4. Other Material Accounting Policies (continued)

(f) Financial instruments (continued)

Classification and initial measurement of financial assets (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Commission's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains equity investments. The Commission accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in listed equity securities at fair value through other comprehensive income (FVOCI). In the current financial year, the fair value was determined in line with the requirements of IFRS 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Notes to the financial statements

4. Other Material Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are designated as being at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to “hold to collect” the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (ECL) model’. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Commission considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).
‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Commission considers evidence of impairment for trade and other receivables as well as investments.

Notes to the financial statements

4. Other Material Accounting Policies (continued)

(f) Financial instruments (continued)

Impairment of financial assets (continued)

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Interest on the impaired assets continues to be recognised through the unwinding of the discount. When an event occurring after the impairment was recognised causes the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Classification and measurement of financial liabilities

The Commission's financial liabilities include borrowings, deposits from customers and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Commission designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial liability at FVTPL is stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents.

(h) Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Commission operates (the 'functional currency'). The financial statements are presented in Zambian Kwacha, which is the Commission's presentation currency.

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

4 Other Material Accounting Policies (continued)

(h) Foreign currencies (continued)

(ii) Functional and presentation currency

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(i) Employee benefits

(i) Provision for retirement benefits

The Commission has a plan with National Pension Commission Authority (NAPSA) where the Commission pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings up to a ceiling set annually.

(ii) Provisions for leave pay and long service bonus

Provisions for leave pay are made in respect of all staff. In addition, all employees are entitled to gratuity, and a provision is made thereon.

(j) Trade and other payables

Trade and other payables are stated at cost.

(k) Grants

Revenue Grants (grants with no future directly related costs) are treated as unrestricted funds. Deferred Revenue Grants (grants with specific future related costs) are treated as temporarily restricted funds and charged to revenue as the conditions attaching to them expire.

4. Critical accounting estimates and judgements

The Commission makes estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying Commission's accounting policies, management has made judgements in determining:

- (a) the classification of financial assets;
- (b) whether assets are impaired;
- (c) estimation of provision and accruals; and
- (d) recoverability of trade and other receivables.

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

5. Management of financial risk

5.1 Financial risk

The Commission is exposed to a range of financial risks through its financial assets. The most important component of this financial risk is credit risk. These risks arise from open positions in the interest rate and business environments, all of which are exposed to general and specific market movements. The Commission manages these positions with a framework that has been developed to monitor its customers and return on its investments.

5.1.1 Credit risk

The Commission has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key area where the Commission is exposed to credit risk is trade and other receivables and investments.

The Commission structures the levels of credit risk it accepts by placing limits on its exposure to the level of credit given to or investment made in a single entity.

5.1.2 Foreign currency risk

Most of the transactions for the Commission are carried out in Zambian Kwacha. The exposure to foreign currency risk is low.

5.1.3 Capital management

The Commission's objective when managing capital is to safeguard the Commission's ability to continue as a going concern so that it can continue to provide benefits to stakeholders.

The Commission's capital is supported by grants from the Government of the Republic of Zambia (GRZ) and its internally generated fees.

6. Fee Income

	2025 ZMW	2024 ZMW
<i>Revenue comprises Income arising on:</i>		
Annual Issuer's Fees	1,700,000	1,240,000
Authorisation fees	222,222	6,671,130
Scrutiny Fees	244,446	338,893
Licensing Fees	2,226,822	1,621,284
Registration Fees	613,500	4,647,401
Other Fees	51,243	80,778
	<u>5,058,233</u>	<u>14,599,486</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

	2025 ZMW	2024 ZMW	
7. Commissions and Levies			
Administration Fines	430,615	40,300	
Commissions on LuSE Trades	127,763,302	85,287,893	
Levies on Collective Investment Schemes	5,727,552	4,434,243	
Exchange gain/loss	-	329	
	<u>133,921,469</u>	<u>89,762,765</u>	
8. Interest income			
Interest Income-Bank Balances	47,460	6,979	
Interest Income-Investments	38,763,586	31,500,646	
Interest Income-Staff Loans	183,477	130,989	
	<u>38,994,523</u>	<u>31,638,614</u>	
9. Other income			
Grant Income	10,198,947	10,198,944	
Sundry Income	3,214,544	20,440	
	<u>13,413,491</u>	<u>10,219,384</u>	
10. Impairment loss on financial assets			
	Trade Receivables ZMW	Other Assets ZMW	Total ZMW
Balance at 1 January 2024	80,000	-	80,000
Impairment Loss	100,000	-	100,000
Written Off	(80,000)	-	(80,000)
Balance at 31 December 2024	100,000	-	100,000
Impairment Loss	80,000	-	80,000
Written Off	(100,000)	-	(100,000)
Balance at 31 December 2025	<u>80,000</u>	<u>-</u>	<u>80,000</u>

11. Taxation

In stating operating results, no provision is made for taxation as the Commission is exempt from taxation

Notes to the financial statements
12. Property, plant and equipment

	Land & Buildings	Motor Vehicles ZMW	Office Equipment ZMW	Office Furniture ZMW	Computer Equipment ZMW	CWIP ZMW	Total ZMW
Cost							
At 1 January 2024	-	6,431,151	1,273,351	974,878	2,337,592	1,065,665	12,082,637
Additions	-	-	3,367,357	990,317	924,946	23,501,739	28,784,359
Transfer	24,567,404	-	-	-	-	(24,567,404)	-
Net valuation gain	7,832,596	-	-	-	-	-	7,832,596
At 31 December 2024	32,400,000	6,431,151	4,640,708	1,965,195	3,262,538	-	48,699,592
Additions	741,969	2,252,490	2,675,307	3,707,790	730,959	-	10,108,515
Disposal	-	-	-	(187,237)	(147,993)	-	(335,230)
At 31 December 2025	33,141,969	8,683,641	7,316,015	5,485,748	3,845,504	-	58,472,877
Depreciation							
At 1 January 2024	-	525,781	626,404	666,051	1,523,874	-	3,342,110
Charge for the year	-	1,519,243	620,402	266,483	535,609	-	2,941,737
At 31 December 2024	-	2,045,024	1,246,806	932,534	2,059,483	-	6,283,847
Charge for the year	-	1,613,097	1,418,384	392,400	675,591	-	4,099,472
Disposal	-	-	-	(115,693)	(92,906)	-	(208,599)
At 31 December 2025	-	3,658,121	2,665,190	1,209,241	2,642,168	-	10,174,720
Carrying Amounts							
At 31 December 2025	33,141,969	5,025,520	4,650,825	4,276,507	1,203,336	-	48,298,157
At 31 December 2024	32,400,000	4,386,127	3,393,902	1,032,661	1,203,055	-	42,415,745

(a) Land and buildings

The Commission owns a property on stand No. LUSAKA/LN 8426/3, Burma Road, Woodlands Lusaka and another property in Kabulonga on stand No. 53 Kabulonga Road Area-Lusaka.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

	2025 ZMW	2024 ZMW
13. Right of use asset		
At 1 January	19,779,431	-
Additions	-	26,372,575
Depreciation charge for the year	<u>(8,790,858)</u>	<u>(6,593,144)</u>
At 31 December	<u>10,988,573</u>	<u>19,779,431</u>

The Commission recognized right-of-use assets in respect of leased building under IFRS 16. The lease commenced on 1 April 2024 and runs for three years.

	2025 ZMW	2024 ZMW
14. Receivables at Amortised Cost		
Issuer Fees	<u>1,956,904</u>	<u>782,870</u>
(a) Analysis of Receivables		
Gross amounts receivable	2,036,904	882,870
Less: impairment provision	<u>(80,000)</u>	<u>(100,000)</u>
	<u>1,956,904</u>	<u>782,870</u>
(b) Movement in impairment provision		
At the beginning of the year	100,000	80,000
Charge for the year	80,000	100,000
Written off during the year	<u>(100,000)</u>	<u>(80,000)</u>
At the end of the year	<u>80,000</u>	<u>100,000</u>
(c) Net accounts receivables are summarised as follows:		
Neither past due nor impaired	1,956,904	782,870
Impaired	<u>80,000</u>	<u>100,000</u>
Gross	<u>2,036,904</u>	<u>882,870</u>
Less: allowance for impairment	<u>(80,000)</u>	<u>(100,000)</u>
Net	<u>1,956,904</u>	<u>782,870</u>

Notes to the financial statements

14. Receivables at Amortised Cost (Continued)

The average credit period on provision of services is 90 days. No interest is charged on outstanding trade receivables. The Commission always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Commission has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Commission writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Commission's provision matrix. As the Commission's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Commission's different customer base.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

14. Receivables at Amortised Cost

	2025 ZMW	ECL
Ageing		
< 30 Days	1,956,904	0%
31 - 60 Days	-	5%
61-90 Days	-	10%
91-120 Days	-	25%
121 - 180 Days	-	50%
Over 180 Days	<u>80,000</u>	100%
Lifetime ECL	<u>2,036,904</u>	

	2024 ZMW	ECL
Ageing		
< 30 Days	782,870	0%
31 - 60 Days	-	5%
61-90 Days	-	10%
91-120 Days	-	25%
121 - 180 Days	-	50%
Over 180 Days	<u>100,000</u>	100%
Lifetime ECL	<u>882,870</u>	

15. Other financial assets

Deposits and prepayments	1,467,139	1,516,942
Staff receivables	<u>3,356,586</u>	<u>3,116,443</u>
	4,823,725	4,633,385
Less: impairments provisions	<u>-</u>	<u>-</u>
	<u>4,823,725</u>	<u>4,633,385</u>

16. Cash and cash equivalents

	2025 ZMW	2024 ZMW
(a) Cash at bank and in hand		
ABSA Bank	7,644,119	5,742,577
Standard Chartered Bank	22,795	19,899
First National Bank	38,680	155,568
Petty cash	<u>20,000</u>	<u>10,000</u>
	<u>7,725,594</u>	<u>5,928,044</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

16. Cash and cash equivalents (continued)

	2025 ZMW	2024 ZMW
(b) Short-Term Bank Deposits		
Standard Chartered Bank	114,660,460	52,272,581
ABSA Bank	207,796,387	91,663,484
First National Bank	49,212,959	151,489,360
Zambia National Building Society	12,019,726	-
	<u>383,689,532</u>	<u>295,425,425</u>
	<u>391,415,126</u>	<u>301,353,469</u>

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

17. Statutory Funds

Compensation Fund	59,269	68,760
Green Finance Working Group	2,792	131,803
Market Development Fund	364,102	364,102
	<u>426,163</u>	<u>564,665</u>

18. Deferred Income

Balance at the start of the year	433,335	593,334
Received during the year	666,668	433,335
Amortised during the year	(460,001)	(593,334)
Balance as at the year end	<u>640,002</u>	<u>433,335</u>

This represents income received in the year for the following financial period.

19. Investor Protection Funds

Uncollected Dividends-Stanbic	74,865	66,098
Cavmont Guarantee Fund -ECR	1,149,050	1,018,270
Mukuyu Growth Funds	452,569	400,582
Stanchart LP Settlement	2,189,226	-
	<u>3,865,710</u>	<u>1,484,951</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

20. Lease liabilities

	2025 ZMW	2024 ZMW
At 01 January 2025	23,272,571	-
Additions	-	26,372,575
Payments made during the year	(10,775,594)	(8,856,974)
Accretion of interest	1,786,074	2,226,137
Translation difference	(3,201,523)	3,530,833
At 31 December 2025	<u>11,081,528</u>	<u>23,272,571</u>
Current	8,734,439	5,807,035
Non-current	2,347,089	17,465,536
	<u>11,081,528</u>	<u>23,272,571</u>

Lease liabilities were initially recognised at the present value of future lease payments, discounted using the effective interest rate of 11.66%, which reflects the Commission's estimated cost of borrowing over a comparable term and with similar collateral.

Lease payments are contractually due on a quarterly basis and are made in advance at the beginning of each quarter. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the liability and reducing it by lease payments made. Adjustments are also made for any lease modifications or reassessments.

The corresponding Right-of-Use assets are disclosed separately under Note 13 and are depreciated over the shorter of the lease term or the useful life of the underlying asset.

21. Employee Benefits Provisions

	2025 ZMW	2024 ZMW
Gratuity provision		
At beginning of year	8,197,249	5,790,884
Charge for the year	8,735,877	6,772,691
Payments during the year	(6,315,573)	(4,366,326)
At 31 December	<u>10,617,553</u>	<u>8,197,249</u>
Housing	-	1,778,926
Fuel/transport	-	1,447,887
Leave Pay Provision	1,660,947	1,440,490
	<u>12,278,500</u>	<u>12,864,552</u>
Current portion	4,709,958	7,639,797
Non-current portion	7,568,542	5,224,755
	<u>12,278,500</u>	<u>12,864,552</u>

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

22. Payables, Accruals and provisions

	2025 ZMW	2024 ZMW
Audit provisions	208,214	925,475
NAPSA	130,698	128,716
PAYE	1,097,214	1,715,464
NHIMA	30,891	36,653
Other	2,925	-
	<u>1,469,942</u>	<u>2,806,308</u>

23. Segmental reporting

Segmental reporting is applied in line with IFRS 8 to report the split between levy and fee income. Expenditure, however, is not segmented. Segmental reporting is not required for assets and liabilities, as this information is not regularly reported to the chief operating decision-maker.

24. Revenue

Revenue and Financing Sources	Commission and non-Commission Revenue	Revenue Availability	Presentation
Securities transaction fees	Commission Revenue	Collection of securities transaction fees are used to supplement the SEC's annual appropriation.	Statement of profit and loss
Registration, merger, and other fees from registrants	Commission Revenue	There are no restrictions on collections beyond the amount needed to be billed.	Statement of profit and loss
Compensation Fund Contributions	Non-Commission Revenue	Certain collections of monetary sanctions are deposited into the SEC's Compensation Fund in accordance with legislation.	Reported in a separate statement

Revenue is measured based on the consideration to which the Commission expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Commission recognises revenue when it transfers control of a product or service to a customer:

- (a) Licensing Fee Income is recognised upon issue of a licence.
- (b) Registration Fee Income is recognised once securities are registered.
- (c) Authorisation Fee Income on a takeover or merger transactions is recognised when the transaction is duly authorised.
- (d) The LuSE Trade Commission is credited to the statement of profit and loss on an accrual basis.

Notes to the financial statements

25. Other Income and Expenditure

Other income and expenditure are recognised on an accrual's basis. Where income received relates to a period of time covering more than one accounting period, that part extending beyond the current accounting period is treated as deferred income. Corporate overheads are not segmented.

26. Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies above and/or the notes to the financial statements. However, the key areas are summarised below.

- (a) Areas of judgement that have the most significant effect on the amounts recognised in the financial statements are:
 - (i) Review of asset carrying values and impairment charges and reversals
 - (ii) Estimation of asset lives
 - (iii) Determination of fair values of non-current assets
 - (iv) Impairment losses on receivables
 - (v) The Commission makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

26. Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty (continued)

(b) Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- (i) Review of asset carrying values and impairment charges and reversals
- (ii) Estimation of liabilities for post-retirement costs
- (iii) Contingencies

27. Comparatives

Where necessary, corresponding figures have been reclassified to conform to changes in the presentation of the current period.

28. Financial instruments

(a) **Total financial instruments**

	Receivables	Assets at fair value through P & L ZMW	Assets at amortised cost ZMW	Total ZMW
At 31st December 2025				
Assets as per financial position				
Loans and receivables:				
-Receivables at amortised cost	-	-	1,956,904	1,956,904
-Other financial assets	4,823,725	-	-	4,823,725
-Cash and Cash equivalents	-	-	391,415,126	391,415,126
Total	4,823,725	-	393,372,030	398,195,755
Liabilities as per statement of financial position				
	Payables	Liabilities at fair value through P & L	Liabilities at amortised cost	
-Non-current liabilities		-	16,013,403	16,013,403
-Employee benefits and provisions		-	12,278,500	12,278,500
-Payables, accruals and provisions		-	1,469,942	1,469,942
-Lease liabilities		-	11,081,528	11,081,528
Total		-	40,843,373	40,843,373

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

28. Financial instruments (continued)

(a) **Total financial instruments (continued)**

	Receivables	Assets at fair value through P & L	Assets at amortised cost	Total
	ZMW	ZMW	ZMW	ZMW
At 31st December 2024				
Assets as per financial position				
Loans and receivables:				
-Receivables at amortised costs	-	-	782,870	782,870
-Other financial assets	4,633,385	-	-	4,633,385
-Cash and Cash equivalents	-	-	301,353,469	301,353,469
Total	4,633,385	-	302,136,339	306,769,724

Liabilities as per statement of financial position	Liabilities at fair value through P & L	Liabilities at amortised cost	
-Non-current liabilities	-	19,948,487	19,948,487
-Employee benefits and provisions	-	12,864,552	12,864,552
-Payables, accruals and provisions	-	2,806,307	2,806,307
-Lease liabilities	-	5,807,035	5,807,035
Total	-	41,426,382	11,822,675

(b) **Credit Risk**

The Commission takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Commission by failing to pay amounts in full when due.

As at 31 December 2025, the maximum exposure to credit risk, without considering any collateral held or other credit enhancements, which will cause a financial loss to the Commission due to failure to discharge an obligation by the counterparties arises from the carrying amount of each financial asset in the statement of financial position.

In order to manage this risk, the Commission has a defined credit policy which is documented and forms the basis of all credit decisions. The Commission also makes allowance for impairment against non-performing accounts, where recovery is doubtful. The carrying amount of financial assets represents the maximum credit exposure. As shown below, exposure to credit risk is represented by cash balances and amounts due on accounts receivables:

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

28. Financial instruments (continued)

2025

Category	Rating	ECL	Gross carrying	Less	Net carrying
			amount		
	ZMW	ZMW	ZMW	ZMW	ZMW
Bank and Cash Balances	Performing	12-Month ECL	7,725,594	-	7,725,594
Fixed Deposits	Performing	12-Month ECL	383,689,532	-	383,689,532
Receivables at Amortised Cost	Performing	Simplified Approach	2,036,904	(80,000)	1,956,904
Other Financial Assets	Performing	Not credit impaired	4,823,725	-	4,823,725
			<u>398,275,755</u>	<u>(80,000)</u>	<u>398,195,755</u>

2024

Category	Rating	ECL	Gross carrying	Less	Net carrying
			amount		
	ZMW	ZMW	ZMW	ZMW	ZMW
Bank and Cash Balances	Performing	12-Month ECL	5,928,044	-	5,928,044
Fixed Deposits	Performing	12-Month ECL	295,425,425	-	295,425,425
Receivables at Amortised Cost	Performing	Simplified Approach	882,670	(100,000)	782,670
Other Financial Assets	Performing	Not credit impaired	4,633,385	-	4,633,385
			<u>306,869,524</u>	<u>(100,000)</u>	<u>306,769,524</u>

For trade receivables, the Commission has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Commission determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Commission's primary credit exposure from liquidity of cash and cash equivalents amounted to K7.726. million at 31 December 2025 (2024: K5.928 million).

The credit risk for cash and cash equivalents and short-term deposits is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

The credit risk for investments is considered to be low since the Fund Managers are reputable entities.

In respect of trade and other receivables, the Commission is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Notes to the financial statements

28. Financial instruments (continued)

The Commission's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL not impaired
In default	Amount is >90 days past due or there is evidence indicating Lifetime ECL — credit-impaired	Lifetime ECL credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Commission has no realistic prospect of recovery	Amount is written off

(c) Mark Risk

(i) Currency risk

The Commission takes on low exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows as the majority of its transactions and balances are in local currency.

(ii) Interest rate risk

The Commission is exposed to interest rate risk to the extent of the balance of any loans and other borrowings taken and outstanding. During the period under review, the Commission was not subject to any interest rate risks as it had no loans, and other borrowings taken and outstanding. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

(iii) Fair value

Because of short maturity profiles, fair values of financial assets and liabilities approximate to their carrying amounts.

SECURITIES AND EXCHANGE COMMISSION (SEC)

Financial statements

For the year ended 31st December 2025

Notes to the financial statements

28. Financial instruments (continued)

(d) Liquidity risk and interest rate risk

Liquidity risk is the risk that the Commission will not be able to pay financial instruments liabilities as they come due. The principal external risks faced by the Commission remain unforeseen reduction of operating income.

The table below summarises the Commission's exposure to liquidity risks:

	Up to 1 month K	1-3 Months K	4-12 Months K	1-5 Years K	Total K
At 31 December 2025					
Non-interest bearing	1,023,208	3,069,625	8,185,666	474,108	12,752,607
	<u>1,023,208</u>	<u>3,069,625</u>	<u>8,185,666</u>	<u>474,108</u>	<u>12,752,607</u>
At 31 December 2024					
Non-interest bearing	1,072,046	3,216,138	8,576,368	474,108	13,338,660
	<u>1,072,046</u>	<u>3,216,138</u>	<u>8,576,368</u>	<u>474,108</u>	<u>13,338,660</u>

(i) Liquidity Risks

This is monitored on a daily basis by management and controlled as far as reasonably possible to minimise the risk of mismatches between current liabilities and current assets.

(ii) Interest rate risk

The Commission's interest rate risk arises from its lease obligations. The risk is deemed low.

(iii) Cash Flow Risk

In the opinion of the Commissioners, the risk that future cash flows may not be sufficient to meet its working capital requirements is medium.

(e) Fair value estimation

The different levels of determining fair value, by valuation method, have been defined as: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly from prices or indirectly derived from prices; and Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The fair values of the Commission's financial assets and liabilities for both the current and comparative year do not differ materially from their carrying values:

Notes to the financial statements

28. Financial instruments (continued)

(e) Fair value estimation (continued)

Interest—bearing loans and borrowings: Fair value is calculated based on expected future principal and interest cash flows.

Trade and other receivables/payables: For receivables/payables the carrying amount is deemed to reflect the fair value.

29. Capital Management

The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to controlling interests and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Commission monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025 ZMW	2024 ZMW
Debt	-	-
Cash	<u>391,415,126</u>	<u>301,353,469</u>
Net debt	<u>391,415,126</u>	<u>301,353,469</u>
Equity	427,720,640	327,538,518
Net debt to equity ratio	91.51%	92.00%

30. Related parties

(a) *Control of the Commission*

The Commission is controlled by a Board of Commissioners. Members of the Board who held office during the year and to the date of this report are shown on Pages 3.

(b) *Identity of Related Parties*

The key executives of the Board i.e. officers other than Board of Commissioners with the ability, directly or indirectly, to control or exercise significant influence over the Board in making financial and operating decisions, are listed on Page 4.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Notes to the financial statements

30. Related parties (continued)

(c) *Transactions with Related Parties:*

In 2009, the IASB revised IAS 24 again to address the disclosures in government-related entities and issued a revised IAS 24 to simplify the definition of 'related party' and to provide an exemption from the disclosure requirements for some government-related entities. Under this revision, IAS 20-Grants requires government support in grants or other support to be disclosed in the financial statements of the reporting entity. IAS 24 requires such disclosure of support from government to also be disclosed. However, no disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.

	2025 ZMW	2024 ZMW
(i) Grants from Government	10,198,944	10,198,944
(ii) Government Assistance	419,888,044	319,705,922
(iii) Key Executive Management Compensation	8,515,349	4,678,539
(iv) Remuneration to Commissioners	1,509,972	1,366,662
(v) Amounts payable to Non-Executive Management	11,610,598	5,911,821

31. Prior year adjustment

Extenda	(1,250,000)	-
provision of audit fees in prior periods (Includes Internal Audit)	794,300	-
	<u>(455,700)</u>	<u>-</u>

The prior year adjustment relates to a refund made to Extended, which had previously been recognized as income, as well as an over-provision of audit fees.

32. Capital Commitments

- (a) There were no amounts authorised by the Board not contracted for in the current or prior year. However, on the capital work in progress, gross of capital grants deductible from the costs does not include additional costs that will arise prior to completion. To date, the costs cover only historical costs that have been incurred. There is need to establish the actual costs for full implementation and capital commitments established. There is also the possibility of additional impairment provisions being required for recognition. This remained an estimate at the year-end (2024: Nil).
- (b) Other than the above, the Commission has not entered into any unquantifiable contingent liabilities as at the year-end by offering any guarantees, letters of comfort or indemnities to anyone.

Notes to the financial statements

33. Climate Change

The Commission recognises Climate Risk as an Integrated Risk Type. Climate Risk is defined as the potential for financial loss and non-financial detriments arising from climate change and society's response to it. The Commission aims to measure and manage financial and non-financial risks from climate change, and reduce emissions related to its own activities in alignment with the Paris Agreement. Climate change impacts almost all the sectors within the economy. However, the Commission notes that there are certain sectors that are more vulnerable to climate risks under different Transition Risk and Physical Risk scenarios. The Commission plans to move quickly in developing identified methodologies and engage with its various stakeholders and integrate Climate Risk into its mainstream risk management activities and assessments. The Commission will seek to adapt its approach as the impact from Climate Risk becomes clearer and the tools and methodologies to gather reliable data mature.

34. Contingent Liabilities

- (a) From time to time, the Commission is subject to legal challenge and judicial review of decisions made in the normal course of its business as regulator of the securities and capital markets in Zambia. Legal judgements could give rise to liabilities for legal costs, but these cannot be quantified as the outcome of proceedings would be unknown and there is therefore considerable uncertainty as to the nature and extent of any subsequent liability.
- (b) The Commission on 20th February 2020 resolved to take supervisory action against MAMCo pursuant to section 11(4) of the Securities Act, No. 41 of 2016. This followed MAMCo's non-compliance with the Commission's Directives to resolve the outstanding regulatory issues against MAMCo including compliance with the Commission's December 2018 Directives relating to payment of amounts due to creditors in a prohibited product who were owed in excess of K254 million or the regularisation of the product into an authorised product. In this regard, on 2nd March 2020, the Commission took possession of MAMCo pursuant to section 11(4)(a) of the Securities Act.
- (c) On 14th March 2022, MAMCo filed an appeal into the Capital Markets Tribunal challenging, among other things, the Commission's decision to take supervisory possession. The Commission is in receipt of an adverse judgment issued by the Capital Markets Tribunal for which it has since appealed to the Court of Appeal. The Commissioners believe that the Commission has very high prospects of success in the matter, and as such, the damages amounting to K275 million have not been accrued in these financial statements. The Appeal is yet to be heard and determined. The Commission has applied for a stay with the Capital Markets Tribunal pending determination of the appeal.
- (d) Other than the above, the Commission has not entered any unquantifiable contingent liabilities as at the year-end by offering any guarantees, letters of comfort or indemnities to anyone.

Notes to the financial statements

35. Events after the reporting Date

IAS 10 requires the Commission to disclose the date on which the accounts are authorised for issue by the Commission. The annual report and accounts were authorised by the Commission for issue on the date of the signature of the directors and the date of the auditor's report.

- (a) General: The Commission has evaluated subsequent events through to the date the financial statements were available for issuance, and has determined that there has not arisen since the end of the period any transaction or event of a material and unusual nature likely, in the opinion of management, to affect substantially the operations of the Commission, the results of those operations or the state of affairs of the Commission in subsequent financial periods.

SECURITIES AND EXCHANGE COMMISSION (SEC)
Financial statements
For the year ended 31st December 2025

Detailed operating statement

	2025 ZMW	2024 ZMW
Employee Costs		
Basic Pay	22,955,861	20,335,788
Housing allowance	1,793,260	1,778,926
Fuel Allowance	622,093	1,447,887
Transport allowance	607,763	-
Bonuses and other Allowances	1,636,380	3,563,488
Gratuity	10,767,451	6,772,691
Leave Pay	3,455,643	1,797,941
Medical Expenses	2,231,244	1,330,340
NAPSA-Employer Contributions	814,484	676,805
NHIMA	207,731	201,777
Workers Compensation Fund Control Board	26,853	17,055
Overtime	301,895	717,099
	<u>45,420,658</u>	<u>38,639,797</u>
Administration Expenses		
Advertising & Promotions	167,366	295,506
Audit Fees	208,214	347,251
Bank Charges	190,704	192,305
Board and Committee Expenses	1,509,972	1,366,662
Consultancy	1,390,650	1,189,767
Electricity & Utilities	235,703	304,637
Exchange loss	-	3,530,833
Finance costs	1,786,074	2,226,137
Insurance	755,972	964,530
Legal expenses	116,162	109,631
Loss on disposal	126,631	-
Motor Vehicle Expenses	627,015	649,001
Other Expenses	1,225,767	809,382
Postage & Courier	18,879	17,406
Print & Stationery	239,953	418,906
Relocation expenses	-	151,383
Repairs & Maintenance	486,035	390,901
Security Expenses	805,299	347,878
Telephone & Internet	994,100	1,074,114
Subscriptions, Publications, Workshops and Training	21,474,410	17,583,551
	<u>32,358,906</u>	<u>31,969,781</u>
	<u>77,779,564</u>	<u>70,609,578</u>

----- 000 -----

APPENDICES

Appendix I – SEC Corporate Address and Contact Details



SEC Securities and Exchange Commission

Corporate Office Address:

Plot 5475 Corner of Great East and Libala Roads, Kalundu

P.O. Box 35165 Lusaka,

ZAMBIA (0211)

227012/222368/222369/226386

Fax: (0211) 225443

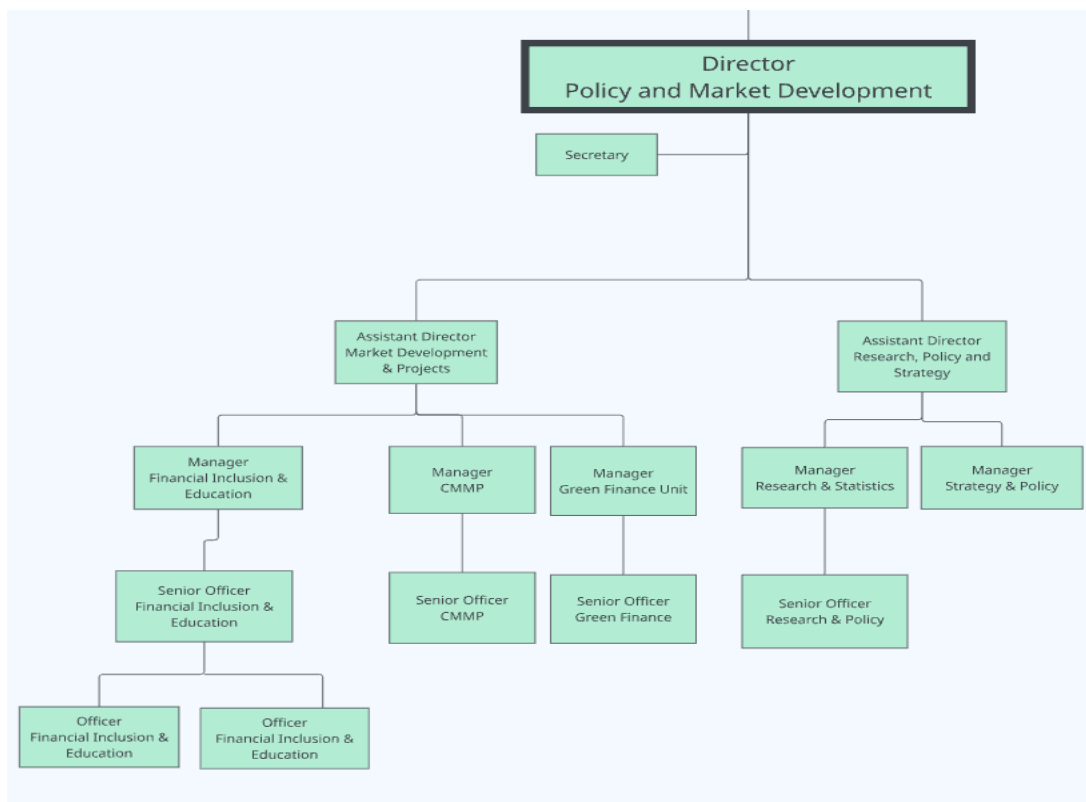
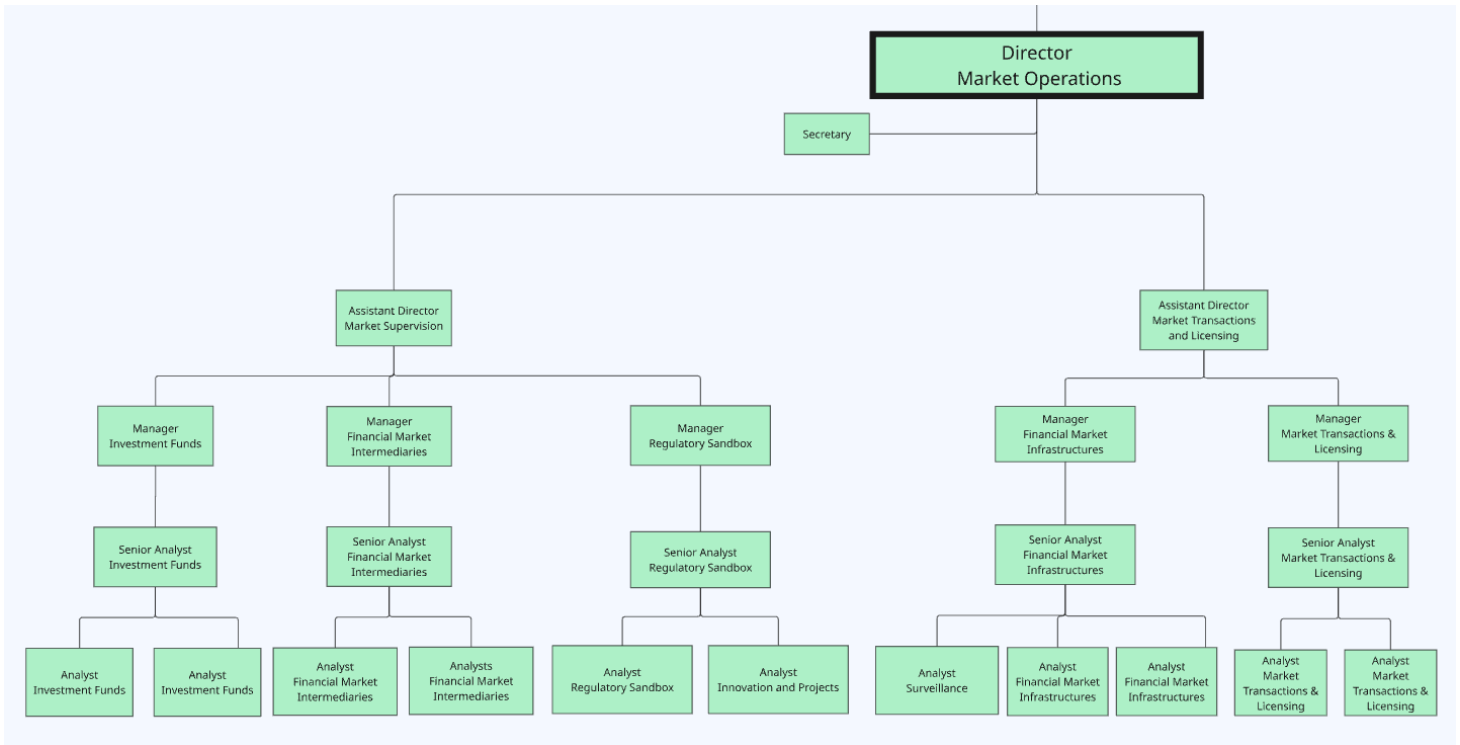
Email:

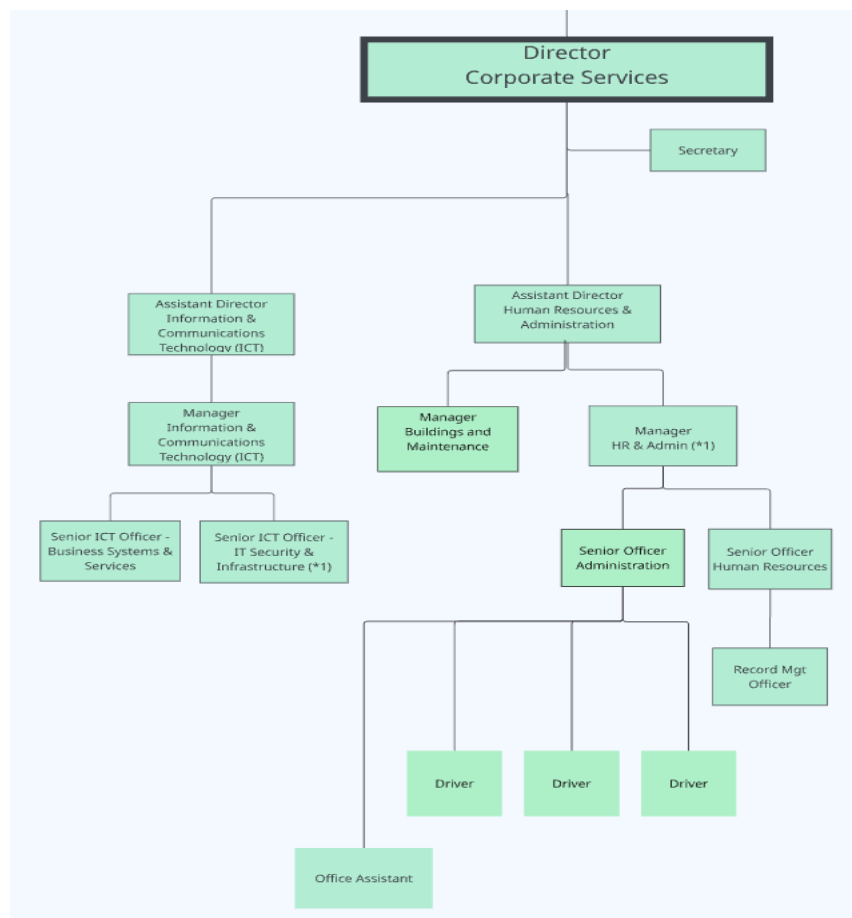
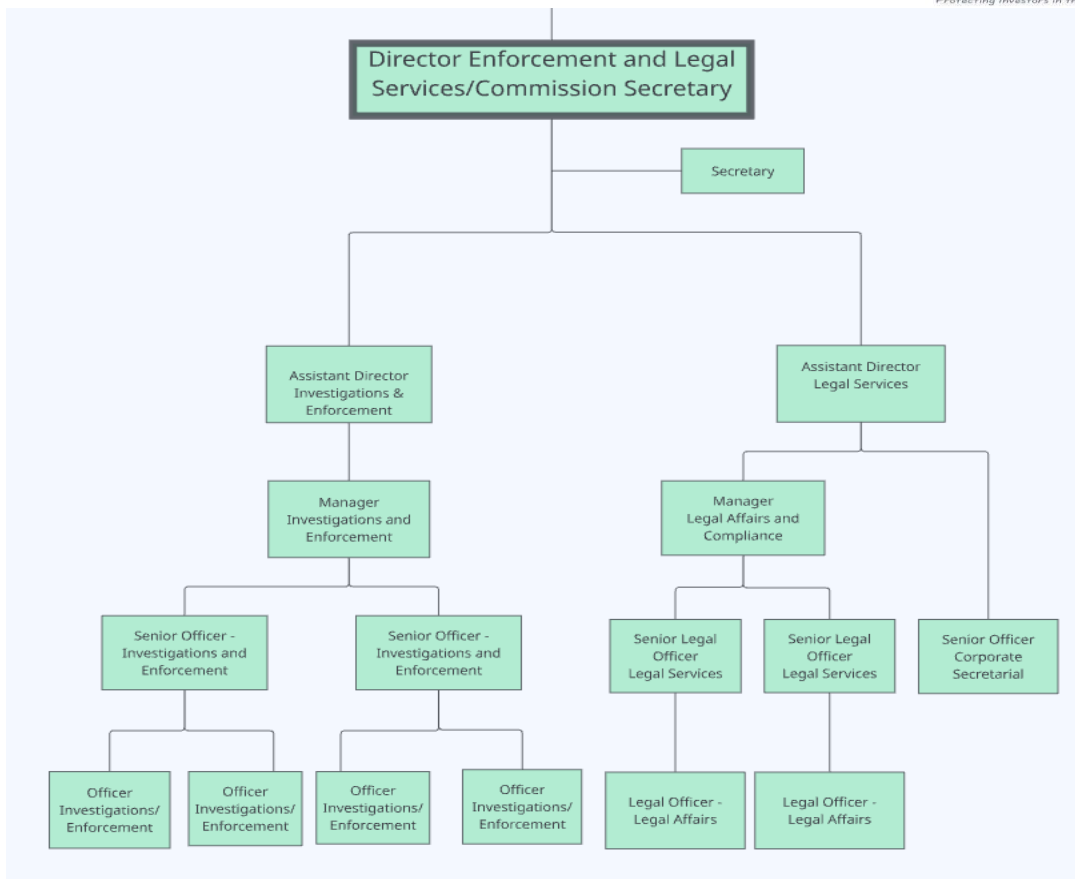
info@seczambia.org.zm

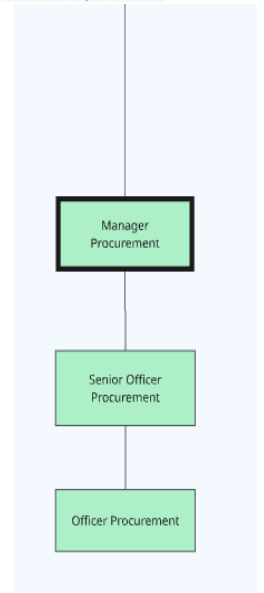
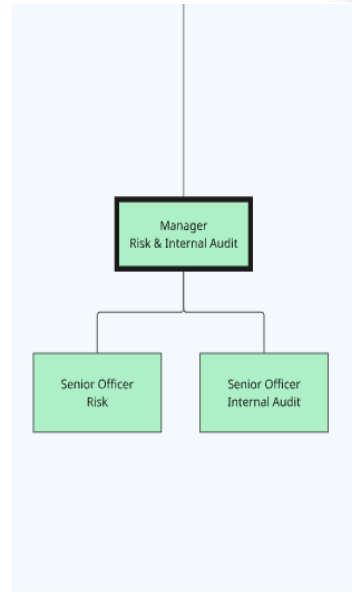
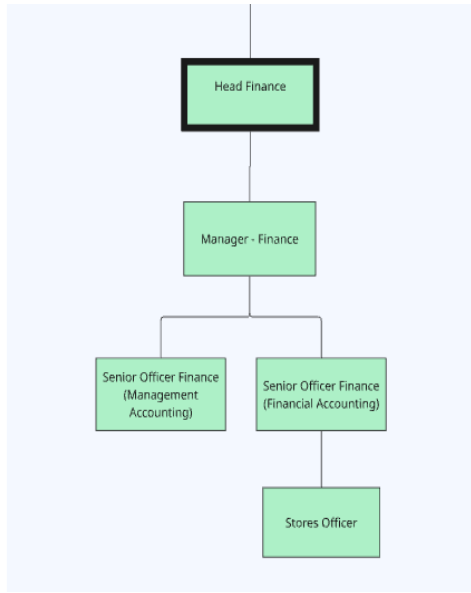
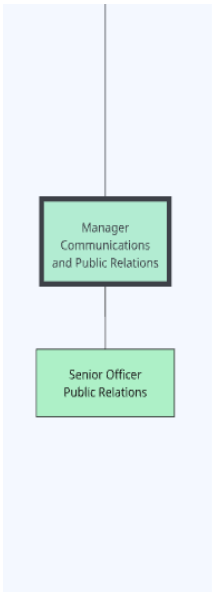
Website:

www.seczambia.org.zm

Appendix 2B - Individual Directorates and Units







Appendix III – List of Authorised Capital Market Players as at 31st December 2025

In order to ensure that only fit and proper persons and entities are allowed to offer securities services to the investing public, the Commission approved the applications of the following entities to conduct securities business in the categories shown below:

Securities Exchange Licenses

The following entities held a securities exchange license as at 31st December 2025:

Item	Company Name	2025		2024	
		Yes	No	Yes	No
1.	Lusaka Securities Exchange Plc	√		√	
2.	Bond & Derivatives Exchange Zambia Plc		√	√	

Clearing and Settlement Agency Licenses

The following entity held a clearing and settlement agency license as at 31st December 2025:

Item	Company Name	2025		2024	
		Yes	No	Yes	No
1.	Lusaka Clearing and Settlement Agency	√		√	

Credit Rating Agency Licences

The following entities held a Credit Rating Agency license as at 31st December 2025:

Item	Company Name	2025		2024	
		Yes	No	Yes	No
1.	Premier Rating Agency Limited	√		√	
2.	ICRA Rating Agency Limited	√			√

Dealer's Licenses

The following corporate entities held a Dealer's license as at 31st December 2025:

Item	Company Name	2025		2024	
		Yes	No	Yes	No
1.	ABSA Bank Zambia PLC	√		√	
2.	Access Bank Zambia Limited	√		√	
3.	Aflife Capital Zambia Limited	√		√	
4.	African Banking Corporation Investment Services Limited (T/A ABC Asset Management)	√		√	
5.	African Banking Corporation Zambia Limited (Trading as Atlas Mara Bank Zambia Limited)		√	√	
6.	African Life Financial Services Limited	√		√	
7.	Altus Capital Limited	√		√	

Item	Company Name	2025		2024	
		Yes	No	Yes	No
8.	Autus Securities Zambia Limited	√			
9.	BSGM Investment Limited	√			√
10.	Chuuma Asset Management Limited	√			√
11.	Citibank Zambia Limited	√		√	
12.	Cork Veste Investments Limited	√			√
13.	Eco-Bank Zambia Limited	√		√	
14.	Equity Capital Resources Plc	√		√	
15.	Finance Securities Limited	√		√	
16.	First Capital Bank Zambia	√		√	
17.	First National Bank Zambia Limited	√		√	
18.	Galaxy Consulting Limited	√			√
19.	Hobbiton Investment Management Services Limited	√		√	
20.	Indo-Zambia Bank Limited	√		√	
21.	Laurence Paul Investment Services Limited	√		√	
22.	Kukula Capital Plc	√		√	
23.	Providence Asset Management Limited	√		√	
24.	Longhorn Associates Limited	√		√	
25.	Madison Asset Management Company Limited	√		√	
26.	Money Acumen Advisory Limited	√			√
27.	Mukuba Financial Services Limited	√			√
28.	Novac Asset Management Limited	√			√
29.	Pangaea Securities Limited	√		√	
30.	Prudential Pension Management Zambia Limited	√		√	
31.	Sihle Advisory Services Limited	√			√
32.	Stanbic Bank Zambia Limited	√		√	
33.	Standard Chartered Bank Zambia Plc	√		√	
34.	Stockbrokers Zambia Limited	√		√	
35.	Treasfin Limited	√		√	
36.	United Bank for Africa Zambia Limited	√		√	
37.	WCAP Limited	√		√	
38.	Zambia Industrial Commercial Bank Limited	√		√	
39.	Zambia National Commercial Bank	√		√	

Dealer's Representative Licenses

The following persons held a Dealer's representative's license as at 31st December 2025:

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
1.	Ms. Mabvuto Muranena Mumba	Absa Bank Zambia PLC	√			√
2.	Mr. Aaron Phiri	Absa Bank Zambia PLC		√	√	
3.	Ms. Bathsheba Magula	Absa Bank Zambia PLC	√		√	

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
4.	Mr. Bill Njamba	Absa Bank Zambia Plc	√		√	
5.	Mr. Boston Nkuname	Absa Bank Zambia Plc	√		√	
6.	Ms. Chiwala Mwelwa	Absa Bank Zambia Plc	√		√	
7.	Mr. Lesa Mulenga	Absa Bank Zambia Plc	√		√	
8.	Mr. Stanley Kaweme Tamele	Absa Bank Zambia Plc	√		√	
9.	Mr. Mukelebai Wambulawae	Absa Bank Zambia Plc	√		√	
10.	Mr. Blessings S. Banda	Absa Bank Zambia Plc		√	√	
11.	Mr. Kamwaya Hamoonga	Absa Bank Zambia Plc	√		√	
12.	Mr. Mubanga Bwalya	Absa Bank Zambia Plc	√		√	
13.	Mr. Katongo Mumbi	Absa Bank Zambia Plc	√			√
14.	Mr. Mwangala Lutangu	Absa Bank Zambia Plc	√		√	
15.	Mr. Mwamba Katongo	Absa Bank Zambia Plc	√			√
16.	Mr. Munier Solomon	Absa Bank Zambia Plc	√			√
17.	Ms. Peggy Makwebo	Absa Bank Zambia Plc	√		√	
18.	Ms. Pruvilla M. Syankusulu	Absa Bank Zambia Plc	√			√
19.	Mr. Calvin Sichilomba	Access Bank Zambia Limited	√		√	
20.	Mr. Wiza Chinula	Access Bank Zambia Limited	√		√	
21.	Mr. John Keyala	Access Bank Zambia Limited	√		√	
22.	Mr Christopher K. Mwelo	Access Bank Zambia Limited	√			√
23.	Ms. Theresa Chiluba	Access Bank Zambia Limited	√			√
24.	Mr. Mwaaka Lwiindi	Access Bank Zambia Limited	√			√
25.	Ms. Lupupa Mulenga	Access Bank Zambia Limited	√		√	
26.	Mr. Mukudzei-Ishe Zhou	Aflife Capital Zambia Limited		√	√	
27.	Mr. Clifford Muzoka	African Banking Corporation Investment Services Ltd T/A ABC Asset Management Company Limited	√		√	
28.	Ms. Mubanga Nundwe	African Banking Corporation Investment Services Ltd T/A ABC Asset Management Company Limited	√		√	
29.	Mr. Geoffrey Musekiwa	African Life Financial Services Limited	√		√	
30.	Mr. Jones Phiri	African Life Financial Services Limited	√		√	
31.	Mr. Mumba Musunga	African Life Financial Services Limited	√		√	
32.	Ms. Valarie M Mwiinga	African Life Financial Services Limited	√		√	
33.	Mr. Joseph Mazila	African Life Financial Services Limited	√		√	
34.	Ms. Nasilele Ngumbi	African Life Financial Services Limited	√		√	
35.	Mr. Jonathan Bupe Imakando	African Life Financial Services Limited	√		√	
36.	Mr. Elijah Chanda Kabaso	African Life Financial Services Limited	√		√	
37.	Mr. Eleutherius Chimansa Nyanga	African Life Financial Services Limited	√		√	
38.	Ms. Vanessa Wright	African Life Financial Services Limited	√		√	
39.	Mr. Ken Simwaba	Altus Capital Limited	√		√	
40.	Ms. Justina Lunda Mukanzo	Altus Capital Limited	√		√	
41.	Ms. Grace Soko	Altus Capital Limited	√			√
42.	Mr. Mataka Nkhoma	Autus Securities Zambia Limited	√		√	

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
43.	Mr. Bwalya Shula	BSGM Investment Limited	√			√
44.	Mr. Patrick Mumba	Chuuma Asset Management Limited	√			√
45.	Ms. Chali Maria Mulenga	Citibank Zambia Limited	√			√
46.	Ms. Ngosa Mary Kafwembe	Citibank Zambia Limited	√		√	
47.	Mr. Steven Chitete	Citibank Zambia Limited	√		√	
48.	Mr. Victor Zimba	Citibank Zambia Limited	√		√	
49.	Mr. Wesley Kakobela	Cork Veste Investments Limited	√		√	
50.	Mr. Vincent Chipimo Malekani	Cork Veste Investments Limited	√			√
51.	Ms. Cecilia Sindano	Eco-Bank Zambia	√		√	
52.	Mr. Choongo Chibawe	Equity Capital Resources Plc	√		√	
53.	Mr. Jack Sievu	Equity Capital Resources Plc	√		√	
54.	Ms. Mwelwa Mukuka	Equity Capital Resources Plc	√			√
55.	Ms. Veronica Phiri	Equity Capital Resources Plc	√			√
56.	Ms. Clara DeAssis	Equity Capital Resources Plc	√			√
57.	Mr. Barkat Ali	Finance Securities Limited	√		√	
58.	Mr. Malama Nicholas Mushinga	First Capital Bank Zambia	√		√	
59.	Mr. Lukwesa Munyinda	First Capital Bank Zambia	√		√	
60.	Mr. Gerald Ndhlovu	First National Bank Zambia Limited	√		√	
61.	Mr. Kapumpe Chola Kaunda	First National Bank Zambia Limited	√		√	
62.	Mr. Ignatius Innocent Kashoka	First National Bank Zambia Limited	√		√	
63.	Mrs. Naomi Hara Palale	First National Bank Zambia Limited	√		√	
64.	Ms. Chali Maria Mulenga	First National Bank Zambia Limited		√	√	
65.	Ms. Nonde Nsomi	First National Bank Zambia Limited	√		√	
66.	Mr. Mulenga Kawimbe	First National Bank Zambia Limited	√		√	
67.	Mr. Rashid Senga	First National Bank Zambia Limited	√			√
68.	Ms. Sizimutela Bwalya Chitundu	First National Bank Zambia Limited	√			√
69.	Ms. Blessed Kumesa	First National Bank Zambia Limited	√			√
70.	Ms. Kase Phiri	First National Bank Zambia Limited	√			√
71.	Mr. Kateule Musonda	First National Bank Zambia Limited	√			√
72.	Mr. Mutale Mupanga	First National Bank Zambia Limited	√			√
73.	Mr. Ivor Oscar Christopher Thompson	First National Bank Zambia Limited	√			√
74.	Mr. Mwiinga Patrick Nakalonga	First National Bank Zambia Limited	√			√
75.	Ms. Hang'umba Cheelo Zenzo	First National Bank Zambia Limited	√			√
76.	Mr. Alex Pensulo Chikwiba	First National Bank Zambia Limited	√			√
77.	Mr. Ruan Wasselo	First National Bank Zambia Limited	√			√
78.	Mr. Chanda Bwalya	First National Bank Zambia Limited	√			√
79.	Mr. Lusengu Kabalashi	First National Bank Zambia Limited	√			√
80.	Mr. Brian Musonda	Galaxy Consulting Limited	√			√
81.	Ms. Celine P. Chauwa	Hobbiton Investment Management Services Limited	√		√	
82.	Mr. Moses Mfula	Hobbiton Investment Management Services Limited	√		√	

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
83.	Ms. Yvonne Simonga Muyanje	Indo-Zambia Bank Limited	√		√	
84.	Ms. Moobela Halwiindi	Indo-Zambia Bank Limited	√		√	
85.	Ms. Mwansa Bantubonse	Indo-Zambia Bank Limited	√		√	
86.	Mr. Yotamu Mwale	Indo-Zambia Bank Limited	√		√	
87.	Mr. Tue Andersen	Kukula Capital Plc	√		√	
88.	Mr. Damien Harris	Kukula Capital Plc	√		√	
89.	Mr. Mphaso Banda	Kukula Capital Plc	√		√	
90.	Mr. Aaron Yobe Zulu	Laurence Paul Investment Services Limited	√		√	
91.	Mr. Martyn Banda	Laurence Paul Investment Services Limited	√		√	
92.	Ms. Namoonga Malambo	Laurence Paul Investment Services Limited	√		√	
93.						
94.	Ms. Joy Nanyiza	Longhorn Associates Limited		√	√	
95.	Ms. Sindisiwe Malambo	Longhorn Associates Limited	√		√	
96.	Mr. Marlon Nsofu	Longhorn Associates Limited	√		√	
97.	Mr. Brian Chilufya Chintu	Longhorn Associates Limited	√		√	
98.	Mr. Lewis Mwale	Longhorn Associates Limited	√		√	
99.	Ms. Mercedes Mwansa	Madison Asset Management Company Limited	√		√	
100.	Ms. Blessing Chilombe	Madison Asset Management Company Limited		√	√	
101.	Mr. Mupanga Chilungu	Madison Asset Management Company Limited	√		√	
102.	Ms Claire Machila Lungwe	Madison Asset Management Company Limited		√	√	
103.	Ms. Sipiwe Nkunika	Madison Asset Management Company Limited	√		√	
104.	Ms. Nkumbu P Pelekamoyo	Madison Asset Management Company Limited	√		√	
105.	Ms. Lyapa Mpempulwa	Money Acumen Advisory Limited	√		√	
106.	Ms. Theresa Gumbo	Money Acumen Advisory Limited	√		√	
107.	Mr. David Mwape	Mukuba Financial Services Limited	√			√
108.	Mr. Kondwani Sakala	Novac Asset Management Limited	√			√
109.	Ms. Joy Nanyiza	Pangaea Securities Limited	√			√
110.	Mr. Kafinda Kunda Mulenga	Pangaea Securities Limited	√			√
111.	Mr. Ceaser Siwale	Pangaea Securities Limited	√		√	
112.	Ms. Tidale Mwale-Chisunka	Pangaea Securities Limited	√		√	
113.	Ms. Wendy Nsamwa Nglazi-Tembo	Pangaea Securities Limited	√		√	
114.	Ms. Chipu Mambwe	Pangaea Securities Limited	√		√	
115.	Ms. Cecilia Siabusu	Providence Asset Management Limited	√		√	
116.	Mr. Ernest Kando	Prudential Pension Management Zambia Limited	√		√	
117.	Mr. Matepa Chingambu	Prudential Pension Management Zambia Limited	√		√	
118.	Mr. Jimmy Mwale	Prudential Pension Management Zambia	√		√	
119.	Mr. Eric Mbulwe	Prudential Pension Management Zambia	√			√
120.	Ms. Joanna Mwendalubi Kabungo	Prudential Pension Management Zambia	√			√
121.	Ms. Natasha Nakawala	Prudential Pension Management Zambia	√			√
122.	Ms. Anowa Namukolo Changa	Prudential Pension Management Zambia	√			√

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
123.	Ms. Lynnette Kasama Chinyanta	Prudential Pension Management Zambia	√			√
124.	Ms. Chanda Claire NACHEMBE	Prudential Pension Management Zambia	√			√
125.	Ms. Peggy Makwebo Lisati	Sihle Advisory Services Limited	√			√
126.	Mr. Alinani Simbule	Stanbic Bank Zambia Limited		√	√	
127.	Ms. Chitemwa Ng'ambi Kapaya	Stanbic Bank Zambia Limited	√		√	
128.	Mr. Victor Mwembo Chishala	Stanbic Bank Zambia Limited	√		√	
129.	Mr. Dean Nathaniel Onyambu	Stanbic Bank Zambia Limited		√	√	
130.	Mr. Mwila Pascal Mwenya	Stanbic Bank Zambia Limited	√		√	
131.	Mr. Musenge Komeki	Stanbic Bank Zambia Limited	√		√	
132.	Ms. Prudence Khumbo Mhango	Stanbic Bank Zambia Limited	√		√	
133.	Ms. Veronica Sinkala	Stanbic Bank Zambia Limited	√		√	
134.	Mr. Victor Chileshe	Stanbic Bank Zambia Limited	√		√	
135.	Mrs. Musa Imakando Mzumara	Stanbic Bank Zambia Limited	√		√	
136.	Mr. Kayeba Mwenechanya	Stanbic Bank Zambia Limited	√		√	
137.	Mr. Austine Mapala	Stanbic Bank Zambia Limited	√			√
138.	Mr. Julius Banda	Stanbic Bank Zambia Limited	√			√
139.	Mr. Penyani Mark Katemangwe	Stanbic Bank Zambia Limited	√			√
140.						
141.	Mr. Wiza Chinula	Standard Chartered Bank Zambia Plc		√	√	
142.	Mr. Benjamin N. Mulenga	Standard Chartered Bank Zambia Plc	√		√	
143.	Mr. Okechukwu Christopher Okwu	Standard Chartered Bank Zambia Plc	√			√
144.	Ms. Dorothy N. K Moono	Standard Chartered Bank Zambia Plc		√	√	
145.	Ms. Edna Towela Lungu	Standard Chartered Bank Zambia Plc	√		√	
146.	Mr. Joseph Chibwe Ngesa	Standard Chartered Bank Zambia Plc	√		√	
147.	Mr. Mubanga Yvonne Mukuka	Standard Chartered Bank Zambia Plc	√		√	
148.	Mr. Muchindu Lombe	Standard Chartered Bank Zambia Plc	√		√	
149.	Mr. Mulolwa Nkhata-Kamana	Standard Chartered Bank Zambia Plc	√		√	
150.	Ms. Mwaka Kalenga Mfula-	Standard Chartered Bank Zambia Plc	√		√	
151.	Mr. Mwali Chisala	Standard Chartered Bank Zambia Plc	√		√	
152.	Mr. Ravi Kapadia	Standard Chartered Bank Zambia Plc	√		√	
153.	Ms. Tamara Mooya Bbuku	Standard Chartered Bank Zambia Plc	√		√	
154.	Mr. Wiggins Mupango	Standard Chartered Bank Zambia Plc	√		√	
155.	Ms. Valerie M Chulu	Standard Chartered Bank Zambia Plc	√		√	
156.	Mr. Fred C. Kabombo	Standard Chartered Bank Zambia Plc	√		√	
157.	Ms. Bwalya Kasito	Standard Chartered Bank Zambia Plc	√		√	
158.	Mr. Kangwa C. Chengo	Standard Chartered Bank Zambia Plc	√		√	
159.	Ms. Sarudzai Muchechemera	Standard Chartered Bank Zambia Plc	√		√	
160.	Mr. Brian Mufalali Chasimpha	Standard Chartered Bank Zambia Plc	√		√	

Item	Name of Representative	Dealer	2025		2024	
			Yes	No	Yes	No
161.	Mr. William Jeremiah Mulenga	Standard Chartered Bank Zambia Plc	√		√	
162.	Mr. Tiwonge Banda	Stockbrokers Zambia Limited	√			√
163.	Mr. Charles Mate	Stockbrokers Zambia Limited	√		√	
164.	Mr. Kamungoma Mate	Stockbrokers Zambia Limited	√		√	
165.	Mr. Jack Kanyanga	Stockbrokers Zambia Limited	√		√	
166.	Mr. Boniface Mwamba	Stockbrokers Zambia Limited	√		√	
167.	Mr. Bwalya Mwape	Stockbrokers Zambia Limited	√		√	
168.	Mr. Mchema Chinzewe	Stockbrokers Zambia Limited	√		√	
169.	Mr. Chinyanta Nkonkomalimba	Stockbrokers Zambia Limited	√		√	
170.	Mr. Lusekelo Chitundu	Stockbrokers Zambia Limited	√		√	
171.	Mr. Mwape Bwanali	Treasfin Limited	√		√	
172.	Ms. Mwaka Kopakopa	United Bank for Africa Zambia Limited	√		√	
173.	Mr. Gift Banda	United Bank for Africa Zambia Limited	√			√
174.	Ms. Nyeji Ruth Chilembo	WCAP Limited	√		√	
175.	Ms. Karen Kabaghe Kapika	Zambia Industrial Commercial Bank Limited		√	√	
176.	Mr. Rudolph Ngulube	Zambia Industrial Commercial Bank Limited	√		√	
177.	Mr. Gerald Soko	Zambia National Commercial Bank Plc	√		√	
178.	Mr. Kawangu Sakuwaha	Zambia National Commercial Bank Plc	√		√	
179.	Mr. Austin Hamukonka Chijikwa	Zambia National Commercial Bank Plc	√		√	
180.	Mr. Charles Kamungu	Zambia National Commercial Bank Plc	√		√	
181.	Mr. Cliff George Sakala	Zambia National Commercial Bank Plc	√		√	
182.	Mr. Fredrick Mulenga Kaputo	Zambia National Commercial Bank Plc	√		√	
183.	Ms. Kaluba Gloria Kaulugombe	Zambia National Commercial Bank Plc	√		√	
184.	Ms. Kunda Catherine Chikumbi	Zambia National Commercial Bank Plc	√		√	
185.	Ms. Virginia L. Mwalilino	Zambia National Commercial Bank Plc	√		√	
186.	Mr. Tiyenze Chilembo	Zambia National Commercial Bank Plc	√		√	
188.	Ms. Nana Mukwiza	Zambia National Commercial Bank Plc	√		√	
189.	Mr. Mudenda Sikapoto	Zambia National Commercial Bank Plc	√		√	
190.	Ms. Ivor Chambwe	Zambia National Commercial Bank Plc	√		√	
191.	Mr. Roy Mbazima	Zambia National Commercial Bank Plc	√		√	
192.	Mr. Jibinga Kelly Jibinga	Zambia National Commercial Bank Plc	√		√	
193.	Mr. Kennedy Zeula	Zambia National Commercial Bank Plc	√		√	
194.	Mr. Bill Njamba	Zambia National Commercial Bank Plc		√	√	
195.	Mr. Siangazi Innocent Malcome	Zambia National Commercial Bank Plc	√		√	

Investment Adviser's License

The following held an Investment Advisors license as at 31st December 2025:

Item	Company	2025		2024	
		Yes	No	Yes	No
1.	Abu Khan	√		√	
2.	Amano Capital Limited	√		√	
3.	Caravel Partners Zambia Limited	√		√	
4.	Carrick Wealth Zambia Limited	√		√	
5.	Charles Sichangwa	√		√	
6.	deVere and Partners Investment Services (Zambia) Ltd	√		√	
7.	Dingani Njobvu	√			√
8.	DM Investment Advisers and General Business Consultants Limited	√		√	
9.	Enock Bwalya	√		√	
10.	Errol Neal Molver	√		√	
11.	Finluca International Limited	√		√	
12.	Frontier Markets Advisory Limited	√		√	
13.	Gralix Actuarial Consulting Limited	√			√
14.	Inside Capital Partners Zambia Limited	√		√	
15.	Kondwani Henry Sakala		√	√	
16.	Lewis Moshu Jr	√			√
17.	Mwape Kunda	√		√	
18.	Riscura Zambia Limited	√		√	
19.	Susan Kawanga Dilamonu	√			√
20.	Venture Asset Management Limited	√		√	
21.	Vunani Asset Management Limited	√		√	
22.	William Frackson Sakala	√			√
23.	XXML Capital Zambia Limited	√			√

Investment Adviser's Representative License

The following persons held an Investment Advisors Representatives license as at 31st December 2025:

Item	Name of Representative	Investment Advisor	2025		2024	
			Yes	No	Yes	No
1.	Mr. Malcom Kasuba Shirley	Amano Capital Limited	√		√	
2.	Ms. Mutinta Hope Hamafuwa	Caravel Partners Zambia Limited		√	√	
3.	Ms. Bubala Hamafuwa	Caravel Partners Zambia Limited	√		√	
4.	Mr. Benedict Charles John Carter	Caravel Partners Zambia Limited	√		√	
5.	Ms. Carmen Hachandi	Carrick Wealth Zambia Limited	√		√	
6.	Mr. Hamubbwatu Hanakooma	Carrick Wealth Zambia Limited	√		√	
7.	Ms. Inutu Mpongo Kangani	Carrick Wealth Zambia Limited		√		√
8.	Ms. Lynda Syamunyangwa	deVere and Partners International Limited	√		√	
9.	Ms. Maureen Nabulyato	deVere and Partners International Limited	√		√	
10.	Mr. Gift Kapande	deVere and Partners International Limited	√		√	
11.	Mr. Julian Visser	deVere and Partners International Limited	√		√	
12.	Mr. Arthur Kalumba	deVere and Partners International Limited	√		√	

13.	Ms. Lwiindi Muzongwe	deVere and Partners International Limited		√	√	
14.	Mr. Moss M Sibongo	deVere and Partners International Limited	√		√	
15.	Ms. Mwela Sunkutu	deVere and Partners International Limited		√	√	
16.	Mr. Darious Mumba	DM Investment Advisers and General Business Consultants Limited	√		√	
17.	Ms. Rosemary Edith Mercer	Finluca International Limited	√		√	
18.	Ms. Namukale Chintu	Frontier Markets Advisory Limited	√		√	
19.	Ms. Chipo Nachizya Sichizya	Gralix Actuarial Consulting Limited	√			√
20.	Mr. Rushil Patel	Inside Capital Partners Zambia Limited	√		√	
21.	Ms. Charity Siwela	Riscura Zambia Limited	√		√	
22.	Mr. Christopher Chileshe Chanda	Venture Asset Management Limited	√			√
23.	Mr. Munyumba Mutwale	Vunani Asset Management Limited	√		√	
24.	Mr. David Eka Bali	XSML Capital Zambia Limited	√			√

Share Transfer Agency License

The following held a Share Transfer Agency license as at 31st December 2025:

Item	Company	2025		2024	
		Yes	No	Yes	No
1.	Corpserve Transfer Agents Limited	√		√	
2.	Spectrum Corporate Services (T/A Sharetrack) Limited	√			
3.	Ventura Solutions Zambia Limited	√			

Share Transfer Agency Representative's License

The following held a Share Transfer Agency Representative's license as at 31st December 2025:

Item	Name of Representative	Share Transfer Agent	2025		2024	
			Yes	No	Yes	No
1.	Mr. James Ndhlovu	Corpserve Transfer Agents Limited	√			√
2.	Mr. Joseph Phiri	Corpserve Transfer Agents Limited	√			√
3.	Mr. Mwaba Luonde	Ventura Solutions Zambia Limited	√			√

Appendix IV – Contact Details of Capital Market Operators

Securities Exchanges contact details

<u>LuSE PLC</u>
<p>Chief Executive Officer: Mr. Nicholas Kabaso</p> <p>Address (physical): Lusaka Securities Exchange 2nd floor, Mamco House Plot 316B, Independence Avenue</p> <p>Address (postal): P.O. Box 34523 Lusaka</p> <p>Telephone: +260 (211) 228391/228537</p> <p>Facsimile: +260 (211) 225969</p> <p>E-mail: info@luse.co.zm</p>

Dealers' Contact Details

a) **Members of the LuSE**

Autus Securities Zambia Limited

34 Khola Road, Woodlands,

P. O. Box 320308,

Lusaka.

Tel: +260 211 840 513 / +260 761002 002 / +260 761 003 003

Website: www.autussecurities.com

Equity Capital Resources Plc

4th Floor Godfrey House, West Wing,

Kabelenga Road,

Lusaka.

Tel: +260 211 840 313 / 227 518

Website: www.ecrzambia.com

Finance Securities Limited

Plot No. 2110/2111, Sepele Road,

Opp. Finance House Cairo Road,

Lusaka.

Tel: +260 977 791 124

Website: www.financesecuritiesltd.com

Hobbiton Investment Management Services Limited

Plot No. 24,

Kasangula Road, Roma,

Lusaka.

Tel: +260 (211) 232877, +260 956 529 966

Website: www.hobbiton.co.zm

Kukula Capital Plc

32A Foxdale Forest Club House,
Off Zambezi Road, Roma, Lusaka.

Tel: +260 211 295792

Website: www.kukulacapital.com

Longhorn Associates Limited

Office Park |Plot 1146/1,
Lagos Road Rhodes Park, P.
O. Box 50655,

Lusaka.

Tel: +260 211 252540 | +260 973 452635

Website: www.longhorn-associates.com

Madison Asset Management Company Limited

Plot 316, Independence Avenue,
P.O. Box 37013,

Lusaka.

Tel: +260 (211) 255121/257152

Website: www.madisonassets.co.zm

Pangaea Securities Limited First
Floor, Pangaea Office Park, Great
East Road,
P.O. Box 30163,

Lusaka.

Tel: +260 211 252540 / +260 973 452635

Website: www.pangaea.co.zm

Stockbrokers Zambia Limited

Lusaka Office
36 Mwaipona Road, Woodlands,
P.O Box 38956,

Lusaka.

Tel: +260-211-232456

Kitwe Office

Ebenezer Centre, Plot 33 – C2,
Corner Kabengele Road & Independence Avenue,

Kitwe.

Tel: +260-212-225984

Website: www.sbz.com.zm

Zambia National Commercial Bank Plc

Cairo Road-South End, P
O Box 33611,

Lusaka.

Tel: +260 211 425 650 / +260977 873262

Website: www.zanaco.co.zm

b) Other Dealers

Absa Bank Zambia PLC

Absa House, Stand No. 2374,
Kelvin Siwale Road, Show Grounds,

Lusaka.

Tel: +260 211 366 100 / +260 211 366225

Website: www.absa.co.zm

Access Bank Zambia Limited

Access House,
Corner Church and Nasser Roads, P
O Box 39501,

Lusaka.

Tel: +260 211 229 733-40

Website: www.accessbankplc.com

Aflife Capital Zambia Limited

Plot No. 74 Independence Avenue, 4th
Floor, Mpile House

P.O. Box 51331,

Lusaka.

Tel: +260 211 253 772 / +260 211 253 112

Website: www.aflife.co.zm

African Banking Corporation Investment Services Ltd

Ground Floor, Access House,
Corner Church and Nasser Roads,
P O Box 39501,

Lusaka.

Tel: +260 211 229733-40

Website: www.atlasmarazambia.com

African Life Financial Services Limited

6th Floor, Mpile Office Park
Independence Avenue 74, P.

O. Box 51331,

Lusaka.

Tel: +260 211 254 841 / 253 772

Website: www.afhoid.co.zm

Altus Capital Limited

Plot 74, Mpile House,
Independence Avenue,

P.O. Box 35352,

Lusaka.

Tel: +260 211 253 566

Website: www.capitalaltus.co.zm

Autus Securities Zambia Limited

34 Kholo Road, Woodlands,
P. O. Box 320308,

Lusaka.

Tel: +260 211 840 513 / +260 761002 002 / +260 761 003 003

Website: www.autussecurities.com

Chuuma Asset Management Limited

6th Floor, ZEP – RE Business Park, Alick
Nkhata Road, Mass Media, **Lusaka.**

Tel: +260 776 782 007 / +260 764 838 084

Website: www.chuuma.com

Citibank Zambia Limited

Citibank House, Stand No. 4646, Addis
Ababa Roundabout,

P. O. Box 30037,

Lusaka.

Tel: +260 211 444 400 / +260 971 025 133

Website: www.citi.com

Cork Veste Investments Limited

Plot No.4,

Lukasu Road, Long Acres,

Lusaka.

Tel: +260 95 5203685

Website: www.veste.money

Eco-Bank Zambia

22768 Thabo Mbeki Road, Acacia Park, P.

O. Box 30705,

Lusaka.

Tel: +260 211 367 390

Website: www.ecobank.com

Equity Capital Resources Plc

4th Floor Godfrey House, West Wing,
Kabelenga Road,

Lusaka.

Tel: +260 211 840 313 / 227 518

Website: www.ecrzambia.com

Finance Securities Limited

Plot No. 2110/2111, Sepele Road,
Opp. Finance House Cairo Road,

Lusaka.

Tel: +260 977 791 124

Website: www.financesecuritiesltd.com

First Capital Bank Zambia

Ground Floor, Kwacha Pension House, Plot 4604, Tito Road,
P.O. Box 32678,

Lusaka.

Tel: +260 211 368 750 / +260 973 343 329

Website: www.firstcapitalbank.co.zm

First National Bank Zambia Limited

Plot No. 22768, Corner Great East and Thabo Mbeki Road,

P.O. BOX 36187,
Lusaka.
Tel: +260 211 366 800 / +260 211 369 639 / +260 966 116 273
Website: www.fnb.co.za

Hobbiton Investment Management Services Limited

Plot No. 24,
Kasangula Road, Roma,
Lusaka.
Tel: +260 (211) 232877, +260 956 529 966
Website: www.hobbiton.co.zm

Indo-Zambia Bank Limited

Plot No.1213 / 1214,
Corner of Great East Road and Addis Ababa Drive,
Lusaka.
Tel: +260 2113 89900 / +260 7717 98616
Website: www.izb.co.zm

Laurence Paul Investment Services Limited

5th Floor Design House,
Dar es Salaam Place, Cairo Road,
P.O. Box 35008,
Lusaka.
Tel: +260 211 220454
Website: www.laurencepaul.com

Kukula Capital Plc

32A Foxdale Forest Club House,
Off Zambezi Road, Roma, **Lusaka.**
Tel: +260 211 295792
Website: www.kukulacapital.com

Providence Asset Management Limited

Plot 16, Sianjalika Road, Woodlands,
P.O. Box 37517,
Lusaka.
Tel: +260 953 588 404 / +260 772 311 191
Email: www.providenceassets.org

Longhorn Associates Limited

Office Park |Plot 1146/1,
Lagos Road Rhodes Park, P.
P. O. Box 50655,
Lusaka. Tel: +260 211 252540 | +260 973 452635
Website: www.longhorn-associates.com

Madison Asset Management Company Limited

Plot 316, Independence Avenue,
P.O. Box 37013,
Lusaka.
Tel: +260 (211) 255121/257152
Website: www.madisonassets.co.zm

Money Acumen Advisory Limited

109B, Fir Road, Woodlands, **Lusaka.**

Tel: +260 978 966 105

Website: www.moneyacumenadvisory.com

Pangaea Securities Limited First

Floor, Pangaea Office Park, Great
East Road,

P.O. Box 30163,

Lusaka.

Tel: +260 211 252540 / +260 973 452635

Website: www.pangaea.co.zm

Prudential Pension Management Zambia Limited

Prudential House,

Plot 32256 Thabo Mbeki,

P.O Box 31357,

Lusaka.

Tel: +260 211 222233/4

Website: www.prudentialpensions.co.zm

Stanbic Bank Zambia Limited

Plot 2375, Stanbic House, Addis

Ababa Drive,

P. O. Box 31955,

Lusaka.

Tel: +260 (211) 370000 – 18

Website: www.stanbicbank.co.zm

Standard Chartered Bank Zambia Plc

Stand No. 4642, Cnr of Mwaimwena Road and Addis Ababa Drive, P O Box 31934,

Lusaka.

Tel: (0211) 422198-99

Website: www.standardchartered.com/zm

Stockbrokers Zambia Limited

Lusaka Office

36 Mwapona Road, Woodlands,

P.O Box 38956,

Lusaka.

Tel: +260-211-232456

Kitwe Office

Ebenezer Centre, Plot 33 – C2,

Corner Kabengele Road & Independence Avenue,

Kitwe.

Tel: +260-212-225984

Website: www.sbz.com.zm

Treasfin Limited

Plot 4987, LA Office Complex,

LA Boulevard, Longacres,

P O Box 51058,

Lusaka.

Tel: +260 97760518

Website: www.treasfin.com

United Bank for Africa Zambia Limited

Stand 22768, Acacia Park,
Thabo Mbeki Road, **Lusaka.**

Tel: +260 979477354

Website: www.ubagroup.com

WCAP Limited

Office No. 03a,
Addis Ababa Corporate Office,
Stand No. 4642, Addis Ababa Drive, Rhodes Park,
Lusaka.

Tel: +260 763629480

Website: www.womencapital.com

Zambia Industrial Commercial Bank Limited

5th Floor, Longacres Mall-Office Block,
Alick Nkhata Road, Mass Mass-Media,
P.O. Box 30228,
Lusaka.

Tel: +260 766 717272

Website: www.zicb.co.zm

Zambia National Commercial Bank Plc

Cairo Road-South End, P
O Box 33611,
Lusaka.

Tel: +260 211 425 650 / +260977 873262

Website: www.zanaco.co.zm

Investment Advisors' Contact Details

Abu Khan

07/43, Plot No. C10/24, Off
Kafue Road,
John Laign / Makeni,

Lusaka.

Tel: +260 979 076 182

Email: Khanabu470@gmail.com

Amano Capital Limited

Latitude 15, Leopards Lane,
Lusaka.

Tel: +260 973177152

Website: www.amanocapital.com

Caravel Partners (Zambia) Limited

38 Luanshya Road,
Silverest Gardens, off Great East Road,
Lusaka.

Tel: +260 764 097027

Website: www.caravelpartners.net

Carrick Wealth Zambia Limited

Unit 101-5, Stand No. 4642,
Corner of Mwaimwena Road and Addis Ababa Drive,
Lusaka.
Tel: +260 211 250222
Website: carrick-wealth.com

Charles Sichangwa

C/o Wits Limited
4th Floor, Godfrey House, Kabelenga Road
Lusaka.
Tel: +260 (211) 226441/5
Email: wits@zamnet.zm

deVere and Partners Investment Services (Zambia) Ltd

Plot 284,
Corner of Joseph Mwilwa and Great East Road,
Lusaka.
Tel: +260 211 295999
Website: devere-zambia.co.zm

Dingani Njobvu

1st Floor Sunshare Tower, Plot No. 155841/1, Katima
Mulilo Road, Olympia,
Lusaka.
Tel: +260 977924048/ +260 950572176
Email: njobvudingan@gmail.com

DM Investment Advisers and General Business Consultants Limited

7 Sable Road, Kabulonga,
Lusaka.
Tel: +260 977909687
Website: www.dmiagbc.co.zm

Enock Bwalya

Plot 22956,
PHI Chainama,
Lusaka.
Tel: +260977807793 | +27605455934|+260950952753
Email: enock.bwalya@africanheights.com / Enock.bwalya@yahoo.com

Finluca International Limited

Plot 2379, Longolongo Road,
Fairview Area,
Lusaka.
Tel: +260 950805495
Website: www.finluca.com

Frontier Markets Advisory

AfricaWorks,
4 Bishops Road, Kabulonga,
Lusaka.
Tel: +260972899476
Website: www.frontiermarketconsultants.com

Gralix Actuarial Consulting Limited Plot
4897 LA Office Park, Ground Floor, Los
Angeles Boulevard, Longacres, **Lusaka.**
Tel: +260 770 007 775
Website: www.gralix.co

Inside Capital Partners Zambia Limited
8th Floor, Sunshare Tower,
Katima Mulilo Road, Lusaka.
Tel: +260 211 388 720
Website: www.insidecapital.net

Kondwani Henry Sakala
Plot No. 50A, Off Makeni Road, Makeni
Konga,
Lusaka.
Tel: +260 977321100
Email: hkonds@gmail.com

Lewis Mosho Jr
758 Independence Avenue, Woodlands,
Lusaka.
Tel: +260 776552592
Email: mrmoshojr@gmail.com

Mwape Kunda
2nd Floor, Elunda Two, Stand 4648, Addis
Ababa roundabout, Rhodes Park, **Lusaka.**
Tel: +260 977918820
Email: amwapekunda@gmail.com

Riscura Zambia Limited
Figtree house, Plot No. 1,
Warthog Road, Kabulonga,
Lusaka.
Tel: +260 (211) 262 773
Website: www.riscura.com

Susan Kawanga Dilamonu
Suite No.75,
Anchris House, Town Centre,
Kitwe.
Tel: +260 966630653
Email: kdilamonu@gmail.com

Venture Asset Management Limited
AfriPay Suite, Agora Village,
Thabo Mbeki Road,
Lusaka.
Tel: +260 974327794
Website: www.ventureasset.com

Vunani Asset Management Limited

Plot 20,
Mpulungu Road, Olympia,
Lusaka.
Tel: +260 977790575
Website: www.vunani.com

William Frackson Sakala

5570 Itawa,
Nalumino Mundia Road,
Ndola.
Tel: +260 966853324
Email: sakalwill@gmail.com

XSML Capital Zambia Limited

Farm 32A, Kabanana,
Off Zambezi Road,
Lusaka.
Tel: +260 766110400
Website: www.xsmlcapital.com

Credit Rating Agencies Contact Details

Premier Rating Services Limited

Plot No. 4,
Broads Road, Rhodes Park,
Lusaka.
Tel: +260 0977 365094
Website: www.creditratingagency.net

ICRA Rating Agency Limited

Plot NO.20848,

Corporate Park,
Alick Nkhata Road, Mass Media,
Lusaka.
Tel: +260 211 269 861 / +260 979 843 525
Website: www.icraratingzm.com

Share Transfer Agencies Contact Details

Corpserve Transfer Agents Limited 6
Mwaleshi Road, Olimpia Park **Lusaka.**
Tel: +260 211 256969/70
Website: www.Corpservezambia.com.zm

Ventura Solutions Zambia Limited
Plot# 15, Twin palm Road, Ibex Hill
Lusaka.
Tel: +260 977 899 379 / 0 951 595 566
Website: www.venturasolutions.org

Spectrum Corporate Services (T/A Sharetrack) Limited
Spectrum House
Stand No. 10, Jesmondine, Great East Road
Lusaka.
Tel: +260 211 374 791 / 92 / 93 / 94
Website: www.sharetrackzambia.com

Recognised Self-Regulatory Organisations

Lusaka Securities Exchange Plc
See address information under Securities Exchanges above

Capital Markets Association of Zambia
Plot 1130, Suite 4, Parirenyatwa Road, Rhodes Park,
Lusaka.
Email: marketing@cmaz.co.zm;

Listed Companies' contact details

African Explosives Limited (AEL) Zambia Plc
Plot 1168/M
Kitwe-Mufulira Road
P.O. Box 40092
Mufulira
Tel: +260 (966) 990945-9
Fax: +260 (212) 412749z
Website: www.ael.co.za
Listed on 23rd October, 2006

Airtel (formerly Celtel and Zain) Zambia Plc
Stand 2375
Addis Ababa drive
Lusaka
Tel: +260 (977) 915000
Website: www.Africa.airtel.com/zambia
Listed on 11th June, 2008

British American Tobacco (BAT) Zambia Plc
Plot # PH1 IND 54 & 53

LS MFEZ, Chifwema Road
P.O. Box 30162
Lusaka
Tel: +260968 678 814/ 787 / 671
E-mail:
[batzam@bat.co m](mailto:batzam@bat.co.m)
Website:
www.bat.com
**Listed on 15th
December, 1996**

Copperbelt Energy Corporation Plc
23rd Avenue, Nkana East
P.O. Box 20819
Kitwe
Tel: +260 (212) 244000/244281
Fax: +260 (212) 223445/244040
E-mail: info@cec.com.zm
Website: www.copperbeltenergy.com
Listed on 21st January, 2008

Chilanga Cement Plc
Farm No. 1880 Kafue Road
Chilanga
P.O. Box 32639
Tel: +260 (211) 367400/600
Fax: +260(211) 278134
E-mail:
enquiries.zambia@hauxincem.com
Website: www.lafarge.com
Listed on 22nd May, 1995

Madison Financial Services Plc
Plot 316 Independence Avenue
P.O. Box 37013
Lusaka
Tel:378700-5
Email: info@madison.co.zm Website:
www.madisonshares.com **Listed on
1st September 2014**

Metal Fabricators of Zambia (ZAMEFA) Plc
Plot 1400, H. Figov Road,
P. O Box 90295
Luanshya
Tel: +260(212) 510599
Fax: +260 (212) 229003/4
Website: www.pdic.com
Listed on 9th September, 2004

National Breweries Plc
Plot No. 1609/10, Sheki Sheki Road
P.O. Box 35135
Lusaka
Tel: +260 962 249 210
Fax: +260 (211) 246326

Website: www.ab-inbev.com

Listed on 16th March, 1998

Pamodzi Hotels Plc Pamodzi Hotel Complex Plot 463, Church Road

P.O. Box 35450

Lusaka

Tel: +260 (211) 254455/250995

Fax: +260 (211) 254005

E-mail: pamodzi.lusaka@tajhotels.com

Website: www.tajhotels.com

Listed on December 21st, 2001

Puma Energy Plc (formerly BP Zambia) Head

Office Stand No. 1710, Mungwi Road **Lusaka**

P.O. Box 31999

Tel: +260 (211) 376100

Fax: +260 (211) 376149

E-mail: zambia@pumaenergy.com

Website: www.pumaenergy.com

Listed on 18th July, 2002

Real Estate Investments Zambia Plc

(formerly Farmers House) Farmers House, Central Park Cairo Road

Lusaka

P.O. Box 30012

Tel: +260 (211) 227684-89

Fax: +260 (211) 222906

E-mail: info@reiz.co.zm

Website: www.reiz.co.zm

Listed on 27th September, 1997

Shoprite Holdings Plc

Plot 19255 Cnr, Great East and Manchinchi Roads Manda Hill Centre Tel:

+260 (211) 251155

Website: www.shopriteholdings.co.za

Listed on 19th February, 2003

Standard Chartered Bank Zambia Plc

Head Office

Standard Chartered House,

Stand No 4642, corner of

Mwaimwena Road and Addis Ababa Road.

P.O. Box 32238

Lusaka

Tel: (0211) 422198-99

Fax: (0211) 222092/225337

Website: www.standardchartered.com/zm

Listed on 30th November, 1998

Zambeef Products Plc

Plot 4970 Manda Road Industrial Area

P/Bag 17, Woodlands

Lusaka

Tel: +260 (211) 369000

Fax: +260 (211) 369050

E-mail: info@zambeef.co.zm Website:

www.zambeefplc.com Listed on 5th
April 2005

Zambia Bata Shoe Company Plc

Plot No. 6437, Mukwa Road Heavy Industrial Area
P.O. Box 30479

Lusaka

Tel: +260 (211) 244397/242328

Fax: +260 (211) 244254

E-mail: batashoe@zamnet.zm

Website: www.bata.co.zm Listed

on 31st March, 2009

Zambia Forestry and Forest Industries Corporation Plc

HEAD OFFICE

P.O Box 71566, Dola Hill

Ndola

Tel: +260 212 671482

Fax: +260 212 616030

Email: info@zaffico.co.zm

Listed on 12th February 2020

Zambian Breweries Plc Plot

6438, Mungwi Road, Heavy
Industrial Area,

P. O Box 35135,

Lusaka

Tel: +260 (211) 246555, +260 962 249200

Fax: +260 (211) 242124

E-mail: zambrew@zambrew.com.zm

Website: www.ab-inbev.com

Listed on 9th June, 1997

Zambia Reinsurance Plc

Stand 3509/No.7 Matandani Close Rhodespark,

P.O. Box 32565

Lusaka, Zambia

Tel: +260 (211) 221159, +260 971 695149

Email: primare@prima-re.co.zm

Website: www.prima-re.com

Listed on 21st December, 2004

Zambia National Commercial Bank Plc

Head Office Building Cairo Road-South End P O Box 33611

Lusaka

Tel: + 260 (211) 228979/ 221355/ 221380/ 221404

Fax: + 260 (211) 223084

E-mail: customerservice@zanaco.co.zm

Website: www.zanaco.co.zm

Listed on 27th November, 2008

Zambia Sugar Plc

Plot No. 118a, Lubombo Road, Nakambala
Estate, Mazabuka, Zambia,

P. O Box 670240,

Mazabuka

Tel: +260 21 3 230 394
Fax: +260 21 3 230 116
E-mail: Corporate@zamsugar.zm
Website: www.zamsugar.co.zm Listed
on 28th August, 1996

ZCCM Investment Holdings Plc
ZCCM-IH Office Park
Stand No. 16806, Alick Nkhata Road Mass Media Complex Area
Lusaka
P O Box 30048
Tel: +260(211) 220654/221023
Fax: +260 (211) 220449/221057
E-mail: corporate@zccm-ih.com.zm
Website: www.zccm-ih.com.zm
Listed on 24th January, 1996

Quoted Companies' Contact Details

Absa Bank Zambia Plc
Absa House, Stand No. 2374, Kelvin
Siwale Road, Showgrounds, **Lusaka**
Private Bag E308
Tel: + (260) (211) 366150 / 169
Fax: + (260) (211) 225553
Email: Thandiwe.BandaMbalashi@absa.africa
Quoted on 9th March, 2005

Chambishi Metals Plc
Sub-division L and M of Lot No. 10/M Kitwe-Chingola Road
P.O. Box 21151
Chambishi
Tel: +260 (212) 744006/7
Fax: +260 (212) 744035
E-mail: info@chambishi.com.zm
Quoted on 25th January, 2000

Chibuluma Mines Plc
Off South Downs Airport Road Lufwanyama
P.O. Box 260499
Tel: +260 (212) 749 – 333/777/110
Fax: +260 (212) 749799/749299
E-mail: bsinkala@chib.com.zm Website: www.metorexgroup.com
Quoted on 22nd December 1999

Copperbelt Energy Corporation Africa Plc
2nd floor Green City
Plot 2374, Kelvin Siwale Road,
P.O Box 320125
Lusaka Quoted in 2017

EIZ Properties Plc
CL/7 Brentwood drive Longacres
Lusaka
P.O. Box 51084 (Lusaka) Tel:
+260 (211)255161/256205 E-

mail: eiz@coppernet.zm

Quoted on 9th April 2015

Kansanshi Mining Plc

Mine Site

Solwezi

P.O. Box 110835

Tel: +260 (212) 658000

Fax: +260 (212) 658300

E-mail: sean.whittome@fqml.com

Website: www.first-quantum.com/our-business/operating-mines/kansanshi

Quoted on 29th June, 1999 (as Cyprus Amax Kansanshi Plc)

Konkola Copper Mines Plc

Stand M/1408 Fern Avenue

Chingola

P/Bag KCM (c) 2000 Tel: +260 (211) 350604

E-mail: corporate.communications@kcm.co.zm Website: www.kcm.co.zm

Lusaka Securities Exchange Plc

See address information under Securities Exchanges above

Mopani Copper Mines Plc

Corporate Office

Central Street Nkhana West

Kitwe

P.O. Box 22000

Tel: +260 (212) 247012/247847

Fax: +260 (212) 247445

E-mail: mopani@mopani.com.zm

Website: www.mopani-copper-mines

Veritas General Insurance Plc

Plot 6/60 Kapingila House Kabulonga Road, Kabulonga

Lusaka

P. O. Box 31965, Lusaka Tel: + (260) (955) 359 873 Fax: + (260) (211)266366

Email: veritas@veritasgeneral.com Website: www.veritasgeneral.com

Quoted on 19th February, 2015

Details of Companies with Listed Debt Securities

Bayport Financial Services - Debt securities listed on 24th April 2014

Plot 68 Independence Avenue

Lusaka

P.O. Box 33819

Tel: +260 (211) 257243

Fax: +260 (211) 257432

E-mail: jchola@bayportfinance.com

Website: www.bayportfinance.com

Focus Financial Services Limited - Debt securities listed on 24th April 2014

1st floor, Building 3 Acacia Park

Thabo Mbeki Road

Lusaka

P. O. Box 345536

Tel: +260 (211) 291310-14

Fax: +260 (211) 291311

Website: www.focus.co.zm

Izwe Loans Zambia Limited - Debt securities listed on 15th July 2013 and 1st August 2013

Plot 873, Cnr Addis Ababa and Katemo Road

Rhodes Park

P. O. Box 35087

Lusaka

Tel: +260 (211) 235273

Email: info@izwezambia.com Website:

www.izwezambia.com

Real Estate Investments Zambia Plc - Debt securities listed on 12th November 2010

(formerly Farmers

House) Farmers House,

Central Park Cairo Road

Lusaka

P.O. Box 30012

Tel: +260 (211) 227684-89

Fax: +260 (211) 222906

E-mail: robin.miller@zamsaf.co.zm

Website: www.reiz.co.zm

Ulendo Road Infrastructure Road Programme (RINP) - Debt securities listed on 11th December, 2015

2nd Floor, Pangaea Office Park

Stand No. 2374 Great East Road, Lusaka

P.O. Box 34536 (Lusaka) Tel:+260 (211)291310-14 Fax:+260 (211) 291312 Website: www.focus.co.zm

International Finance Corporation

Exevia Commercial Complex,

Plot #1014, 4th Floor, Church Road,

P.O. Box 35410

Lusaka.

Tel: (260-21) 137-3200

Copperbelt Energy Corporation Renewables Limited

Stand No. 3614, 23rd Avenue,

Nkana East, PO Box 20819,

Kitwe.

Tel: +260 212 244297/ +260 212 244163



Save and invest ... for a better future

From humble beginnings to investing in capital markets, you too can be empowered. Secure your future by choosing the right investment today.

Investing in shares, collective investment schemes (e.g. unit trusts), bonds can help you to:

- Generate additional resources to protect your future well being
- Achieve your financial goals e.g. buy your dream house, a car or start a business
- Secure your retirement income

Let's talk Capital Markets