



ANNUAL | 2016 - 2017  
**REPORT**

## CAPITAL MARKETS AND SECURITIES AUTHORITY

### Establishment of the Capital Markets and Securities Authority (CMSA)

The Capital Markets and Securities Authority (CMSA) became operational in the 1995/1996 Financial Year. The establishment of CMSA followed comprehensive financial sector reforms in the early 1990s that were aimed at developing among others capital markets in Tanzania. The development of capital markets were to enable of provision of appropriate mechanism for mobilizing long term savings and ensuring efficient allocation of resources to productive sectors and in that way stimulate economic growth.

The capital market in Tanzania is governed by the Capital Markets and Securities Act, Chapter 79 R.E. 2002 (CMS Act). The CMS Act is supplemented by 19 Regulations and Guidelines governing various aspects of the capital markets.

Since the capital markets industry is dynamic in nature, regular review among other things of the legal framework had been undertaken in order to keep pace with developments in the industry.

In the financial year 2016/2017, the CMSA continued with the review of the Capital Markets Act with a view to developing proposals for a new Act that addresses all identified weaknesses.

Furthermore, following the enactment of the Commodity Exchanges Act 2015, the CMSA was also mandated to supervise, develop and regulate the commodity exchanges sector in Tanzania. The Commodity Exchanges Act is supplemented by the Commodity Exchanges Regulations, 2016.

### Functions of the CMSA

The general functions of the CMSA are to -

- promote and develop efficient and sustainable capital markets and securities business in Tanzania while ensuring fair and equitable dealings;
- formulate principles for the guidance of the industry, protection of investors' interests and integrity of the securities market against any abuses;
- licensing and regulating stock and commodity exchanges, dealers, brokers and their representatives and investment advisors;
- advising the Government on policies and all matters relating to the securities and commodity markets industry.



## Our vision

A professional independent regulator promoting capital and commodity markets development, financial literacy and investor protection.

## Our Mission:

To design and implement purposeful measures which will enable the creation and development of sustainable financial markets that are efficient, transparent and which will fuel economic growth.



## Our Priorities:

- Supervising and regulating the securities industry and commodity markets subsector to ensure sustainable market transparency and integrity.
- Better licensing and supervision of the markets and market professionals,
- Deepening of the markets by integrating all sectors of the economy into the capital markets and operationalizing the commodity exchange
- Conducting capital and commodity markets awareness campaigns among investors, issuers, farmers, policy makers and the general public.

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## LIST OF ABBREVIATIONS

AML	<i>Anti Money Laundering</i>
ATS	<i>Automated Trading System</i>
BOT	<i>Bank of Tanzania</i>
CIS	<i>Collective Investment Scheme</i>
CDS	<i>Central Depository System</i>
CISNA	<i>Committee of Insurance, Securities and Non-bank Authorities of SADC</i>
CMSA	<i>Capital Markets and Securities Authority</i>
CMPIC	<i>Capital Markets Pension and Insurance Committee of East Africa Community</i>
COSSE	<i>Committee of SADC Stock Exchanges</i>
DCB	<i>Dar es Salaam Community Bank</i>
DSE	<i>Dar es Salaam Stock Exchange</i>
EAC	<i>East African Community</i>
EABL	<i>East African Breweries Limited</i>
EASRA	<i>East African Securities Regulatory Authorities</i>
EGM	<i>Enterprises Growth Market Segment to be launched at DSE</i>
EPOCA	<i>Electronic and Postal Communication Act</i>
ESAAMLG	<i>Eastern and Southern Africa Anti Money Laundering Group</i>
ESMID	<i>Efficient Securities Markets Institutions Development Programme</i>
FMI	<i>Financial Markets Infrastructure</i>
FSDT	<i>Financial Sector Deepening Trust</i>
FSP	<i>Financial Sector Support Project under the Second Generation Financial Sector Reform Programme</i>
IOSCO	<i>International Organization of Securities Commissions</i>
IPO	<i>Initial Public Offering of Securities</i>
LAN	<i>Local Area Network</i>
NCMMP	<i>National Capital Markets Master Plan</i>
NMB	<i>NMB Bank Plc</i>

NICOL	National Investment Company Limited
OTC	Over the Counter Trading
PSCP	Private Sector Competitive Projects of the World Bank
SIDA	Swedish International Development Cooperation Agency
SIMBA	Tanga Cement Company Limited shares at DSE
TATEPA	Tanzania Tea Packers Company Limited
TBL	Tanzania Breweries Limited
TMX	Tanzania Mercantile Exchange
TOL	TOL Gases Company Limited shares at DSE
TZS	The currency of Tanzania - Tanzanian Shilling
UTT	Unit Trust of Tanzania
WAN	Wide Area Network

## 1. TRANSMITTAL LETTER

CMSA/FI/I

30<sup>th</sup> December 2017.

Hon. Dr Philip Mpango,  
Minister for Finance and Planning,  
Ministry of Finance and Planning,  
1 Madaraka Street,  
11468, Dar es Salaam.

Honourable Minister,

### **Re: SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR 2016/2017**

I have the honour to submit to you the Annual Report of the Capital Markets and Securities Authority (CMSA) for the year ended 30<sup>th</sup> June 2017.

This report covers the operational performance, financial performance and the Auditors Report for the financial year 2016/2017. The report is prepared pursuant to section 9 of the Capital Markets and Securities Act 1994 and section 25(2) of the Public Finance Act 2001.

Yours sincerely,

**CAPITAL MARKETS AND SECURITIES AUTHORITY**



**Dr. John K. Mduma**  
**CHAIRMAN**

## 2. CORPORATE INFORMATION

- i) Registered Office of the Authority**  
6<sup>th</sup> Floor, PPF Tower,  
Corner of Ohio Street and Garden Avenue,  
P o Box 75713 Dar Es Salaam.  
Tel: 255 22 2114959/61  
Fax: 255 22 2113846  
Email: [info@cmsa.go.tz](mailto:info@cmsa.go.tz);  
Website: [www.cmsa.go.tz](http://www.cmsa.go.tz)
- ii) Bankers:**  
NMB Bank House Branch,  
Samora Avenue,  
P o Box 9031,  
Dar Es Salaam.
- CRDB Tower Branch,  
Corner of Ohio Street and Garden Avenue,  
P o Box 2302,  
Dar Es Salaam.
- iii) Bank of Tanzania**  
2 MIRAMBO STREET  
11884 DAR ES SALAAM  
P.O Box 2939  
Dar es Salaam.
- iv) Statutory Auditors:**  
The Controller and Auditor General,  
National Audit Office,  
Samora Avenue/Ohio Street,  
P o Box 9080,  
Dar Es Salaam.

## 3.0. CHAIRMAN'S STATEMENT



I am pleased to submit the Capital Markets and Securities Authority (CMSA) Annual Report for the financial year 2016/17. The report covers the fourth year of the implementation of the CMSA Five Year Strategic Plan 2013/14 – 2017/18.

The strategic initiatives of the financial year under review enabled the drafting of a Capital Market Policy (CMP), progression of efforts towards establishment of the National Capital Market Master Plan (NCMP) by preparing the administrative structure for the project implementation, strengthening the market supervision and investigation function, increasing the depth and breadth of the market, conducting public education and awareness programmes, improving financial inclusion and literacy, improving CMSA's institutional profile and enhancing CMSA's capacity in service delivery and implementation of ICT activities.

Implementation of initiatives under the national financial inclusion framework recorded a number of achievements that have changed the capital markets landscape. The achievements included promoting supply and demand for capital markets products; improving capital markets infrastructure; improving the regulatory environment; and championing the operationalization of the commodity exchange.

In the financial year 2016/2017, CMSA was able to finance its operations without Government subvention for the first time since its establishment. This was achieved ahead of time and is in line with one of the key objectives of the current Strategic Plan to achieve financial self-sustainability in the fifth year of the strategic plan.

Capital markets in Tanzania are faced with the challenge of lack of coordinated approach on the utilization of the capital markets in financing long term development projects. Scope to improve coordination exists and policy direction is provided by such instruments like the Five Year Development Plan II. Therefore, to address this challenge the CMSA will continue to spearhead the development of the NCMP which will provide avenues in which the Government can use the capital markets

as one of the key platforms in resources mobilization for implementation of its industrialization objective.

Once the NCMP is approved by the Cabinet, the scope of the capital markets will expand and allow capital markets to be a major engine of economic development.

The current Strategic Plan ends on 30<sup>th</sup> June 2018. This necessitates the development of the next Five Year Strategic Plan. The new strategic plan will address challenges, facilitate implementation of new developments in the capital markets and commodity exchanges industries. It will be designed to ensure that identified programmes and activities are properly coordinated and implemented. The Strategic Plan will aim at supporting industrialization for economic development and complement national efforts towards achieving the country's development objectives as enshrined in the Tanzania Development Vision (TDV) 2025.

The Authority will support the promulgation of a legal and regulatory framework that addresses the existing and emerging challenges to ensure resilience, soundness and safety of the capital markets and commodity exchanges in the country. Further to that the Authority will support new developments that will come about in the implementation of the NCMP and a new Strategic Plan.

What the Authority has achieved is a result of the Authority's efforts and the continued support from Government and other stakeholders. On behalf of the Members of the Authority, Management and staff of the CMSA, I would like to express my gratitude to the Government of the United Republic of Tanzania especially the Ministry of Finance and Planning and the Bank of Tanzania for their continued support. Their support has enhanced capital market development and the establishment of the commodity exchange by funding the operations of the commodity exchange and providing relevant fiscal incentives to support further development of the markets.

I would also like to express gratitude for the financial and technical support granted by the World Bank through Private Sector Competitiveness Project (PSCP), the Financial Sector Deepening Trust (FSDT), Financial Sector Deepening Africa (FSDA) and Chartered Institute of Securities and Investment (CISI). We look forward to their continued support and collaboration as our capital markets and the commodity exchange evolves.



**Dr. John K. Mduma**  
CHAIRMAN

#### 4.0. CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-2017

##### 4.1. The CMSA's Corporate Governance Philosophy

CMSA has among others the objective of expanding its capacity and becoming competitive in its activities. As a part of its growth strategy, CMSA seeks to adopt international best practices that are required in the area of Corporate Governance. CMSA therefore upholds the principle of transparency and accountability in its transactions, in order to protect the interests of investors and its stakeholders.

The Authority considers itself a trustee of its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their interests. In accordance with the CMSA's Vision regarding investor protection, the Authority aspires to be the benchmark for value creation and good corporate citizenship. CMSA expects to realise its objectives by taking such actions as may be necessary in order to achieve its mission.

##### 4.2. Institutional and Regulatory Framework

The institutional framework of the capital markets and commodity exchanges sub sector is comprised of the Regulatory Authority which is the CMSA; operators of the financial markets infrastructure; and market intermediaries such as brokers, dealers, investment advisers, fund manager, collective investment schemes, custodian of securities, nominated advisers.

The legal framework constitutes the Capital Markets and Securities Act, Chapter 79 R.E. 2002 and the Commodity Exchanges Act 2015. The CMS Act and the CE Act are supplemented by Regulations and Guidelines governing various aspects of capital and commodity markets.

The Acts facilitated in the establishment of the appropriate institutional framework including the establishment of the Authority, the Stock Exchange, Commodity Exchange and licensing of various market intermediaries to facilitate the trading of securities and commodity contracts to the public.

##### 4.3. The Board of the Capital Markets and Securities Authority

The Authority is the governing body of the Capital Markets industry established by Section 6 of the CMS Act.

##### 4.3.1. Members of the Authority

The Authority comprises ten members. The Chairman is appointed by the President of the United Republic of Tanzania. Five members of the Authority are ex-officio, and the Minister for Finance and Planning appoints four other members taking into consideration their experience and expertise in either legal, financial, business or administrative matters. Below is a list of Authority Members that served during the year.

**Table 1: Members of the Authority**

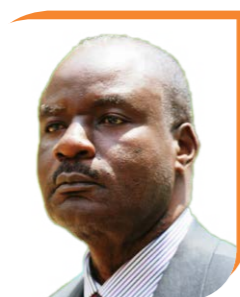
NO	NAME	POSITION	DATE OF APPOINTMENT	EXPIRY OF TERM
1	Dr. John Kedi Mduma	Chairman	February 2017	February 2020
2	Ms. Susan B. Mkapa	Member - Ex Officio	Member - Ex Officio	March 2017
3	Prof. Benno Ndulu	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
4	Hon. George Masaju	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
5	Mr. Frank Kanyus	Member - Ex Officio	Member - Ex Officio	Member - Ex Officio
6	Mr. Juma A. Hafidh	Member	4 <sup>th</sup> July 2015	July 2018
7	Mr. Geoffrey M. Msella	Member	4 <sup>th</sup> July 2015	July 2018
8	Dr. Severine S. Kessy	Member	4 <sup>th</sup> July 2015	July 2018
9	Mr. Gabriel Mwero	Member	31 <sup>st</sup> March, 2014	March 2017
10	Mrs. Nasama Massinda	CEO – Ex Officio	Member - Ex Officio	Member - Ex Officio



**Dr. John Mduma**  
Chairperson



**Prof. Benno Ndulu**  
Member - Ex Office



**Hon. George Masaju**  
Member - Ex Office



**Mr. Frank Kanyus**  
Member - Ex Office



**Ms. Susana Mkapa**  
Member - Ex Office



**Mr. Gabriel Mwero**  
Member



**Mrs. Nasama Massinda**  
Member - Ex Office



**Mr. Juma A. Hafidh**  
Member



**Mr. Geoffrey M. Msella**  
Member



**Dr. Severine S. Kessy**  
Member

#### 4.3.2. Meetings of the Authority

The Authority met quarterly for its ordinary meetings during the financial year 2016/17.

There were seven Extra Ordinary Meetings that is the 107th Extra Ordinary Meeting held on 2nd July 2016 to discuss the request for approval of an application by the Dar es Salaam Stock Exchange Plc for the enhancement of the green shoe option; the 110th Extra Ordinary Meeting held on 14th December, 2016 to discuss Audited Financial Statements for the Financial Year 2015/2016 and Management Audit Report; the 111th Extra Ordinary Meeting held on 6th January, 2017 to discuss progress report on the public offer and listing of telecommunication companies; the 112th Extra Ordinary Meeting held on 27th February, 2017 to discuss the consideration of request for approval of application by Vodacom Tanzania Plc to raise TZS 476 billion by issuing 280,000,033 shares to the public at TZS 850 per share; the 113th Extra Ordinary Meeting held on 6th April, 2017 to discuss the Annual Work Plan for the Financial Year 2017/2018 and the Annual Budget Proposals for the Financial Year 2017/2018; the 114th Extra Ordinary Meeting held on 18th April, 2017 to deliberate on the Vodacom Tanzania PLC Initial Public Offer and Update on Subscription Uptake and the 115th Extra Ordinary Meeting held on 29th June, 2017 to deliberate on the effect of the recent amendment to the Electronic and Postal Communications Act (EPOCA) on the Vodacom Tanzania PLC Initial Public Offer.

Committees of the Authority met as and when the need arose to review and deliberate on issues pertaining to their respective mandates as follows:-

- The Authority's Committee on Corporate Approvals and Licensing met four times to deliberate on various issues including license applications; approval of prospectuses and other offering documents; and Application for a Commodity Exchange License by Tanzania Mercantile Exchange (TMX)
- The Authority's Committee on Audit and Risk met three times to discuss various matters including annual work plan and budget proposals; annual audit plan; draft financial statements and internal audit reports and risk management policy and procedures.
- The Authority's Committee on Rules and Regulations met twice to deliberate on the Proposal for the Dar es Salaam Stock Exchange Revised Rules 2016, Board of Directors Code of Ethics and Conduct and Approval of proposed Amendment to the Dar es Salaam Stock Exchange PLC's Memorandum and Articles of Association

The members of the above committees of the Authority are indicated in item 9.2. on Page 73 of this report.



#### 4.3.2. Attendance during the Meetings of the Authority

The members' attendance in the meetings was satisfactory and members played a major role in the effective execution of the business of the Authority. In statistical terms the attendance of the meeting by members of the Authority can be presented as follows:

##### i) Table 2: Ordinary Meetings

Meetings	Date Held	Attendance	Percentage
82 <sup>nd</sup> Ordinary Meeting	28/7/2016	7	77.77%
83 <sup>rd</sup> Ordinary Meeting	01/11/2016	8	88.88%
84 <sup>th</sup> Ordinary Meeting	15/02/2017	6	66.66%
85 <sup>th</sup> Ordinary Meeting	27/04/2017	7	77.77%

##### ii) Table 3: Extra Ordinary Meetings

Meeting	Date Held	Attendance	percentage
107 <sup>th</sup> Extra Ordinary meeting of the Authority	2 /07/2016	6	66.66%
110 <sup>th</sup> Extra Ordinary meeting of the Authority	14/12/2016	6	66.66%
111 <sup>th</sup> Extra Ordinary Meeting of the Authority	6/01/2017	8	88.88%
112 <sup>th</sup> Extra Ordinary meeting of the Authority	27/02/2017	7	77.77%
113 <sup>th</sup> Extra Ordinary Meeting of the Authority	6/04/2017	7	77.77%
114 <sup>th</sup> Extra Ordinary Meeting of the Authority	18/04/2017	6	66.66%
115 <sup>th</sup> Extra Ordinary Meeting of the Authority	29/06/2017	6	66.66%

##### iii) Table 4: Corporate Approvals and Licensing Committee

Meeting	Date Held	Attendance	Percentage
15 <sup>th</sup> Corporate Approval and Licensing	14/07/2016	4	100%
16 <sup>th</sup> Corporate Approval and Licensing	06/12/2016	3	75%
17 <sup>th</sup> Corporate Approval and Licensing	25/02/2017	4	100%

##### v) Table 5: Audit and Risk Committee Meetings (A&RC)

Meetings	Date Held	Attendance	percentage
20 <sup>th</sup> Audit and Risk Committee	26/07/2016	3	75%
4 <sup>th</sup> Extra Ordinary Audit and Risk Committee	13/12/2016	4	100%
21 <sup>st</sup> Audit and Risk Committee	30/03/2017	4	100%

##### vi) Table 6: Rules and Regulations Committee Meetings (RRC)

Meeting	Date Held	Attendance	percentage
24 <sup>th</sup> Rules and Regulations Committee	5/07/2016	4	100%
25 <sup>th</sup> Rules and Regulations Committee	16/05/2017	3	75%

#### 4.4. The Management

In accordance with the CMS Act Section 6, Mrs. Nasama M. Massinda was the Chief Executive Officer and Head of Management team of the CMSA with effect from 15th November 2011. The organization structure provides for three Directorates and four Independent Departments as follows:

- Directorate of Legal Affairs and Enforcement
- Directorate of Market Supervision and Market Development
- Directorate of Research, Policy and Planning
- Department of Internal Audit
- Department of Administration and Personnel
- Department of Finance
- Department of Public Relations

The following were the members of the Management team who served for the financial year 2016/2017:

**Figure 1: The Management Team**



**Mrs. Nasama N. Massinda**  
Chief Executive Officer



**Mr. Godfrey Malekano**  
Director, Market Supervision  
and Market Development



**Ms. Fatma Simba**  
Director, Legal Affairs and  
Enforcement



**Mr. Nicodemus Mkama**  
Director, Research, Policy  
and Planning



**Mr. Joseph Wilbert**  
Manager, Administration and  
Personnel



**Mr. Charles P. Shirima**  
Manager Public Relations



**Mr. Exaut Julius**  
Manager Finance



**Mr. Alfred A. Mkombo**  
Manager Internal Audit



**Mr. Selenga I Kaduma**  
Manager Licensing and  
Enforcement

## 5.0. CHIEF EXECUTIVE OFFICER'S STATEMENT

Tanzania's economy registered steady economic growth at 7.0% in 2016, similar to the growth rates recorded in 2015 and 2014. The growth in 2016 is attributed to continued improvement in infrastructure investments, stability of power supply, investments in provision of mobile and internet services, and subdued global oil prices.

Annual Headline inflation rates remained at single digits throughout 2016/17, averaging 5.3%, compared with an average rate of 6.0% recorded in the financial year 2015/16. The relatively lower inflation rate was mainly driven by slowdown in prices of food and transportation services.

The liquidity situation in the banking system is expected to continue improving following the measures taken by the Bank of Tanzania in the second half of 2016/17 in order to keep liquidity within range consistent with GDP growth and inflation objectives.

During the year under review, the performance of the equity market in terms of liquidity and market was slow. The drop in performance is linked to investor's expectations regarding public offering and listing of telecommunication companies as most investors were looking forward to participate in the contemplated telecommunication companies' IPOs due to their potential price appreciation on the secondary market.

The performance of the equity market was also affected by the investors' perception of Tanzanian shilling depreciation against US dollar due to a surge in demand for US

dollar associated with the policy decision by the US Federal Reserve Bank to raise interest rates in December 2016. The increase in yield on US dollar investment caused movement of investment from markets outside the USA including the Tanzania's to the United States of America hence reduction of activities in the other markets including the Tanzania market. CMSA will continue to closely follow up developments in the global market and intensify public education efforts so as to broaden the domestic investor base as a cushion against the impact posed by foreign investors. In the case of Tanzania however, since listed companies are largely owned by strategic investors who are not moved by global financial market developments, the problem of hot money effect is not expected to escalate to a calamity.

Inversely, activities in the corporate bonds market picked up in the financial year 2016/17 with the introduction of retail corporate bonds of EXIM and NMB thus changing the trend in the previous financial years where the corporate bond market was not very active. This development shows how improving retail investors' access to corporate bonds can contribute to improving the liquidity of the bond market since most institutional investors buy and holds their bonds to maturity. The CMSA will continue to encourage the issuance of retail bonds where individual investors can invest in small amounts to foster market liquidity and increase financial inclusion.

One of the initiatives in the implementation of the CMSA Strategic Plan on increasing products among others aimed at getting telecommunications companies to offer

shares to the public and listing those shares on the stock exchange. A notable achievement in this regard was that during the financial year 2016/17, CMSA approved the prospectus of Vodacom (T) Limited to offer its shares to the public. This made Vodacom (T) limited to become the first telecommunication company in Tanzania to comply with the Electronic and Postal Telecommunication Act, 2010 (EPOCA) which was amended by the Finance Bill 2016 and Finance Bill 2017 which requires among others, telecommunication service providers to issue at least 25% of its shares to the public and list at exchange in Tanzania. The Vodacom (T) limited IPO was the largest in the country's history that TZS. 476 billion which is equivalent to US\$ 213 million was raised. Other applications including application for issuance of 15-year Asset Backed Callable Convertible Industrial and Infrastructure bond worth TZS 100 billion and applications from 4 telecommunication companies to comply with the amendments of the EPOCA by the Finance Act 2017 were also received and they are being evaluated.

CMSA is optimistic that other mobile network operators will endeavour to comply with the requirements so that their prospectuses can be approved to allow them to offer their respective shares to the public. CMSA is also optimistic that the Government will continue to adopt policies conducive to capital markets development including privatization of government parastatals by public offering of shares and listing of those shares on the Dar es Salaam Stock Exchange PLC. Such policies and action will broaden share ownership, increase liquidity and depth of the capital markets and encourage good corporate governance practices.

On implementing an approach of utilizing the capital markets by all sectors for long term financing and addressing the long term financing gap as identified in the government's development plan 2016/17 – 2020/21, CMSA continued with the efforts of developing the Capital Markets Policy (CMP) and the National Capital Markets Master Plan (NCMMP).

In the next financial year the CMSA expects that the Capital Markets Policy will be approved by Government and hence enable the finalization of the preparation of the NCMMP which aims making the capital market in the country assumes its rightful role of engine for economic growth of the country. It is expected that in preparing the NCMMP key sectors of the economy and relevant stakeholders will collaborate with a view to developing a plan which will result in developing not only capital markets but the country as a whole.

In compliance with the IOSCO requirement of efficient markets infrastructure that facilitates efficient clearing and settlement as well as finality of ownership of government securities, a linked Central Securities Depositories (CSD) at the BOT and DSE was achieved. The Inter-linkage has been completed through the five modules to-end factory testing between the two CSD thus enabling the system to go live on 31st July 2017. This development also involved linking the National Payment System with the Central Securities Depositories at the DSE and the Bank of Tanzania which has enabled true delivery versus payment in transactions to be achieved.

On strengthening market intermediary environment, CMSA continued to enforce compliance by market intermediaries with the minimum capital requirement of

Tanzania shilling equivalent of USD 250,000 which was adopted by the EAC Partner states. As a strategy to build capacity of new entrants in the market, all new brokers and dealers are given a moratorium of three years to meet the minimum capital requirements after approval by the CMSA by of their respective capital build up plans, which they are required to submit to the CMSA for review and monitoring.

The CMSA recorded notable achievements in the implementation of the securities industry financial inclusion framework which was implemented from January 2014 to December 2016 addressing the identified fundamental barriers that limit the growth of Financial Inclusion in Tanzania. The various strategies employed enabled the bridging of the barrier to proximity and access points to enable easier and reliable means of trading in securities through the use of mobile telephone platform in trading securities, improved payment infrastructure that facilitates timely clearing and settlement of the secondary capital markets transaction cycle. Also attained was an increased participation in the capital markets through increased number of investors in securities which changed over the years from 2014 to 2017 whereby the increase brings to the total of 640,366 from 271, 079 investors in the capital markets. Enhanced technological tool for market surveillance and investigation on real time basis at CMSA and linking the National Payment System with the Central Securities Depositories at the DSE and the Bank of Tanzania which has enabled a true delivery versus payments was another milestone achieved.

In the coming financial year CMSA will implement a new financial inclusion

framework designed to create enabling environment for the capital markets and commodity exchanges to be well integrated in the economy by undertaking the following:

- Finalize the reviewing the capital markets' financial inclusion framework and develop a new framework of implementation for the next 5 years.
- Implementation of the pending activities under the just ended framework which include promotion of the mobile retail products, the commodity exchange and intensified public awareness programmes.
- Implement the CMSA's Communication Strategy to create an industry platform for enhanced institutional profile and wider capital markets participation so as to improve financial inclusion and literacy.
- Propose new initiatives in line with the proposed NFIF and the aspiration of the CMSA's strategic initiatives for the next 5 years.

The new framework will include strategies that would enable an increased participation of the population in the securities sector. This is in terms of achieving 10% of the adult population who have invested in securities by the end of 2021 a goal which will be synchronized with the national framework for financial inclusion targets.

A number of activities aimed at operationalisation of the Tanzania Mercantile Exchange (TMX) were accomplished during the year. These

include licensing of the exchange and ensuring that warehouses and warehouse operators are up to standards. Preparation and approval of commodity contract specification for the sesame seeds, sunflower, cashew nut, maize, pigeon peas, cow peas, chick peas, and paddy rice, finalization of the trading floor of the TMX, partitioning and implementation of digital design have also been completed in preparation for commencement of trading operations. The Government through the Treasury Registrar has already injected initial capital amounting to TZS 3.0 billion into the TMX to enable its operationalization.

Operationalization of the commodity exchange remains an important agenda which will be prioritized in the financial year 2017/2018. This will be achieved by launching the first trade at the exchange, conducting capacity building for commodity exchange market intermediaries and exchange staff, continue undertaking awareness campaigns and increase approved commodity contracts and trades at the commodity exchange.

The Authority will ensure that CMSA Staff are exposed to the commodity exchange operations and supervision to enable them to effectively supervise commodity exchanges and intermediaries. Capacity for staff and other key stakeholders needs to be developed locally and internationally in order to face emerging challenges and enhance speedy development of the commodity exchange sector in Tanzania.

CMSA will continue to work closely with the TMX, Ministries of Agriculture; Trade, Industries and Investments; Finance and Planning and the Warehouse Receipt Regulatory Board (WRRB) to ensure that the commodity exchange trading starts.

Other activities that will be implemented in the next financial year include; progressing the enactment of the New Capital Markets Act and its regulations, initiatives aimed at streamlining service delivery and strengthening of market supervision and investigation functions will also be implemented.

Conducting public awareness programs to different audiences to improve literacy in capital markets and commodity exchange and formulation of new financial inclusion framework for the securities industry will remain priority activities for the CMSA.

Strengthening market supervision and investigation function as the market is evolving will remain a key activity in the next financial year. The introduction of new products, professionals, new capital market product distribution channel and electronic information processing, adds challenges to the market supervision. Market structure weaknesses expose the market to risk of abuse as participants may take advantage of the loopholes presenting themselves due to lack of clarity in the regulations and the market supervision structure, hence there is need to address the market structure weaknesses.

To increase market liquidity Management has planned to promote approving new products for issue to the market, restructure the market to accommodate different categories of investors and issuers, assessment of the EAC integration on capital markets and advocating to the Government for tax incentives to promote development of capital markets.

Prudent licensing of market intermediaries remains a key measure in achieving the objectives of securities regulation as

stated by the International Organization of Securities Commission (IOSCO). The focus for 2017/18 is to create a roadmap for achieving higher standards for market intermediaries so as to achieve stability in the capital markets and develop a framework for crisis management. The Authority will ensure there is robust licensing condition that embraces the principles and the right of a person to provide intermediation services to investors after having satisfied the licensing requirements. The objective is to ensure compliance with- minimum entry standards and on-going capital and other prudential requirements as a measure of avoiding the risks that the intermediaries undertake.

IOSCO objectives and principles of securities market regulations define global best practices for securities market regulation. The authority will ensure that conducting capital markets periodic assessment in compliance with IOSCO principles and objectives for securities market regulations is maintained. The objective is to meeting the IOSCO standards of securities market regulations, to identify weaknesses and the extent that they have been addressed in the New Capital Markets Act. Compliance with IOSCO objectives and principles will provide investors' confidence of the Tanzanian capital market.

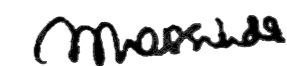
The capital market and commodity exchange industry is still faced with challenges and implementation of the plans set up by the Authority will depend on cooperation and continued collaboration of key stakeholders in order for the strategic initiatives to be accomplished.

The implementation of the above strategies and the operationalization of the commodities exchange will enable

the capital market assume its rightful role of fuelling economic growth and contribute the Government's stance on industrialization drive.

The Authority will continue to take measures aimed at enhancing the integrity of the market and investors' confidence, protection of investors, development of new market platforms and distribution channels, increase in the number of products and market intermediaries. These measures will facilitate addressing the demand and supply side weaknesses in the market as well as efficient supervision and regulation of the securities industry and commodities exchanges to ensure sustainable market transparency and integrity.

I wish to express appreciation to the Authority for their guidance, Management and staff of CMSA for their dedication and hard work; to all stakeholders for their support in developing the securities markets in Tanzania and in the region. We look forward to their continued cooperation in maintenance of sound regulatory systems as we develop our capital markets.



**Nasama M. Massinda**  
**Chief Executive Officer**

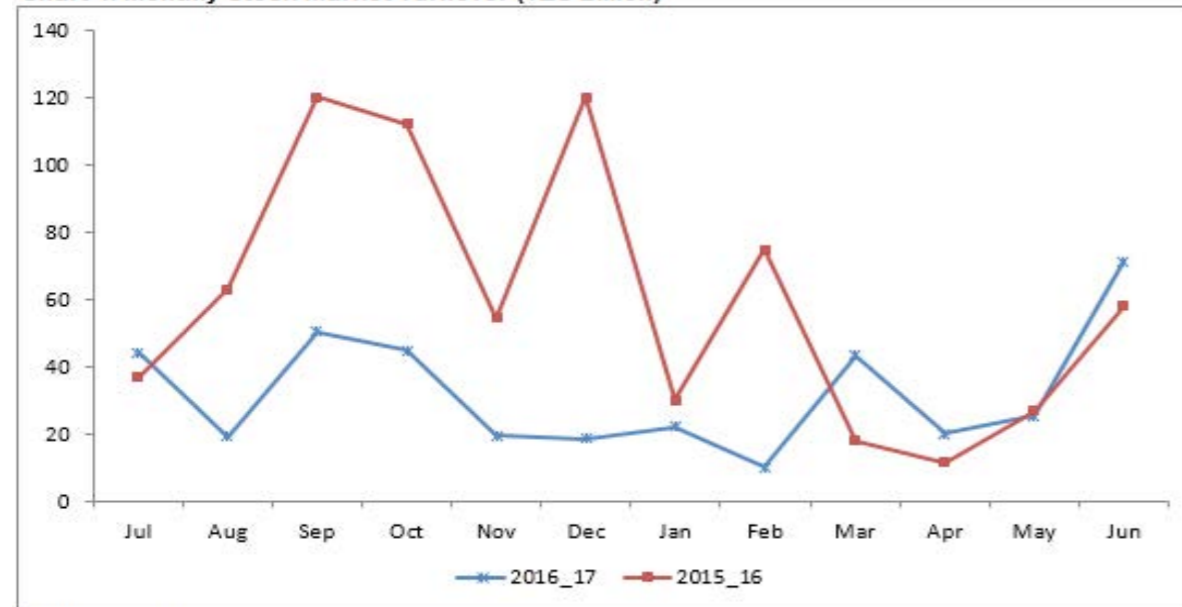
## 6.0. PERFORMANCE OF THE CAPITAL MARKETS IN TANZANIA

### 6.1. THE EQUITIES MARKET

#### 6.1.1. Market Turnover and Volume

During the financial year 2016/17 trading in the equity market was slow. The total value of shares traded at the Dar es Salaam Stock Exchange was TZS 388.38 billion as compared to shares worth TZS 726.09 billion traded in the preceding year. However towards the end of the financial year trading depicted an upward trend. The number of shares which exchanged hands during the year was 108.39 million in 12,506 deals while the total number of shares traded during the prior year was 252.44 million in 14,929 deals.

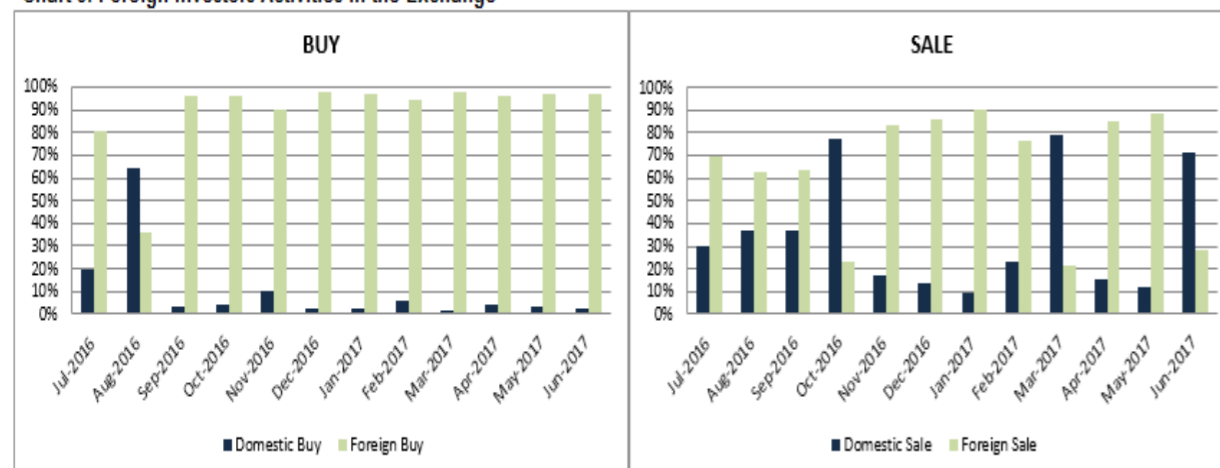
Chart 4: Monthly Stock Market Turnover (TZS Billion)



Source: CMSA

During the year under review the equity market attracted foreign investors participation at an average ratio of 90% on the buy side as compared to 89% registered in 2015/16. On the other hand, foreign investors' activities on the sale-side increased to an average of 65% from an average of 24% recorded in the previous year.

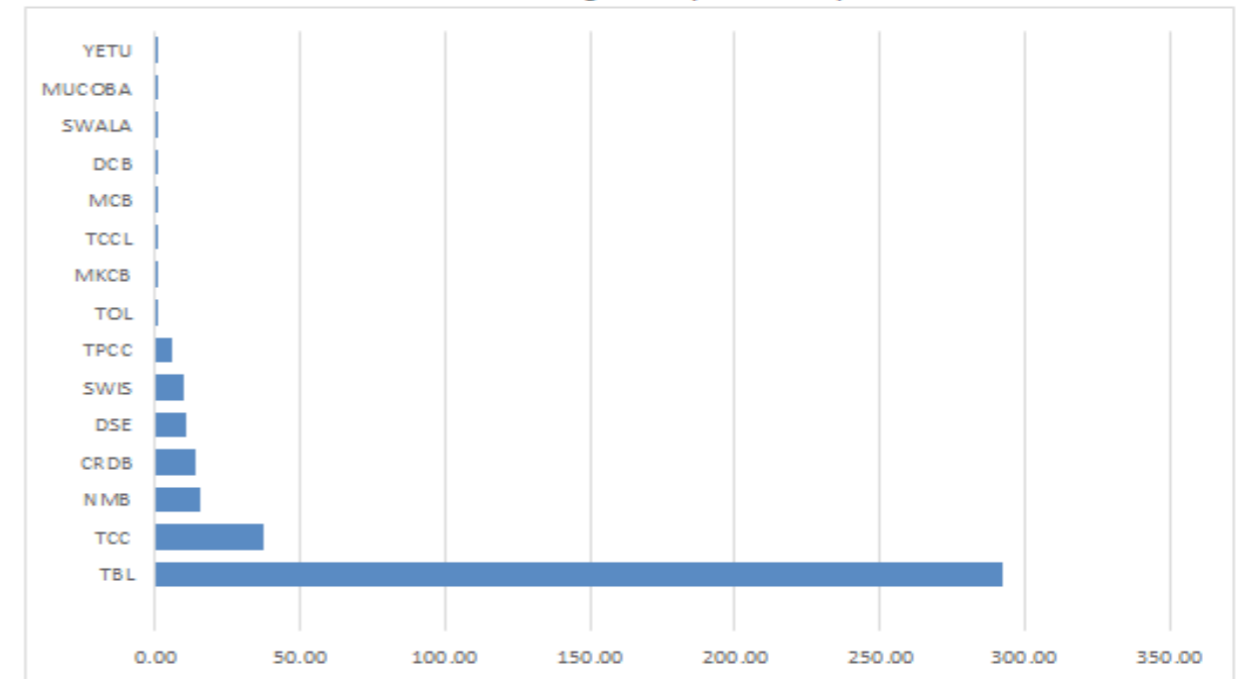
Chart 5: Foreign Investors Activities in the Exchange



Source: CMSA

The top traded equities in terms of value traded during the year were; Tanzania Breweries Limited (TBL), Tanzania Cigarette Company (TCC), National Microfinance Bank (NMB), CRDB Bank Ltd (CRDB), and Dar es Salaam Stock Exchange (DSE) contributing 75%, 10%, 4%, 4% and 3%, respectively of the total turnover.

Chart 6: Individual Performance in Trading Value (TZS Billion)

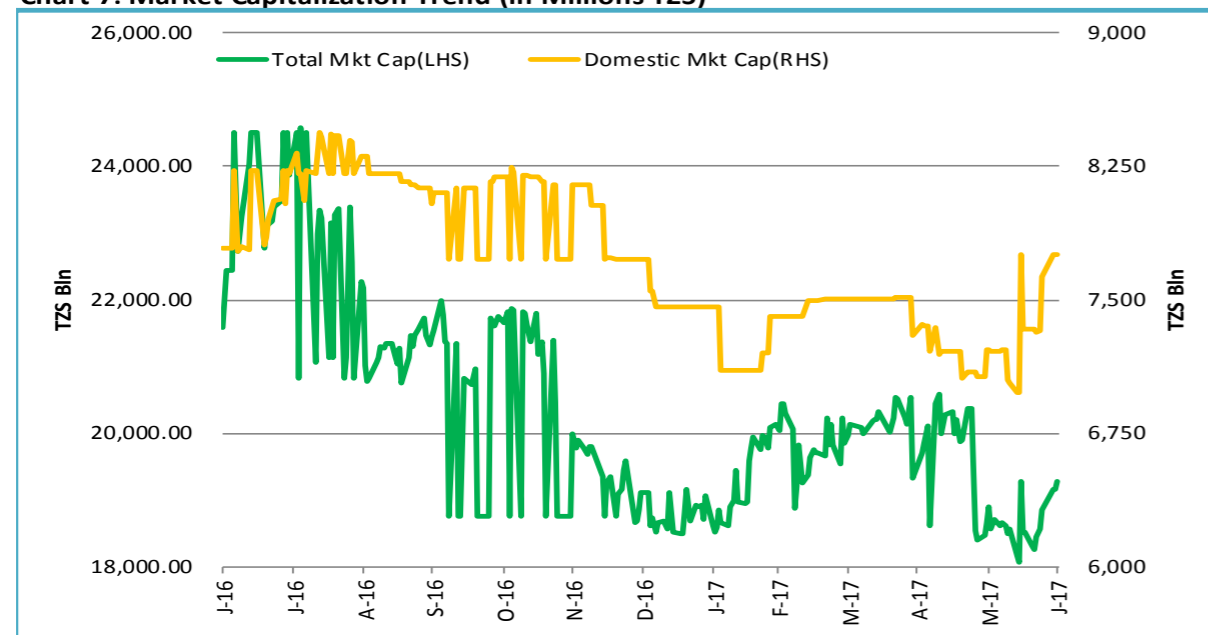


Source: CMSA

#### 6.1.2. Market Capitalization

Total market capitalization decreased by 11.24% to close at TZS 19,286.47 billion at the end of June 2017 from TZS 21,728.57 billion as of 30<sup>th</sup> June 2016. Similarly, domestic market capitalization dropped by 1.94% from TZS 7,912.10 billion at the close of June 2016 to settle at TZS 7,758.72 billion as at 30<sup>th</sup> June 2017. The decline of market capitalizations resulted from the decline in share prices of some of the listed companies. The companies whose shares were most affected during the year 2016/17 include; CRDB (44%), ACACIA (36%), DCB (20%), and SWISS (0.92%).

**Chart 7: Market Capitalization Trend (in Millions TZS)**



LHS: Left Hand Scale; RHS: Right Hand Scale

Source: CMSA

### 6.1.3. Market Indices

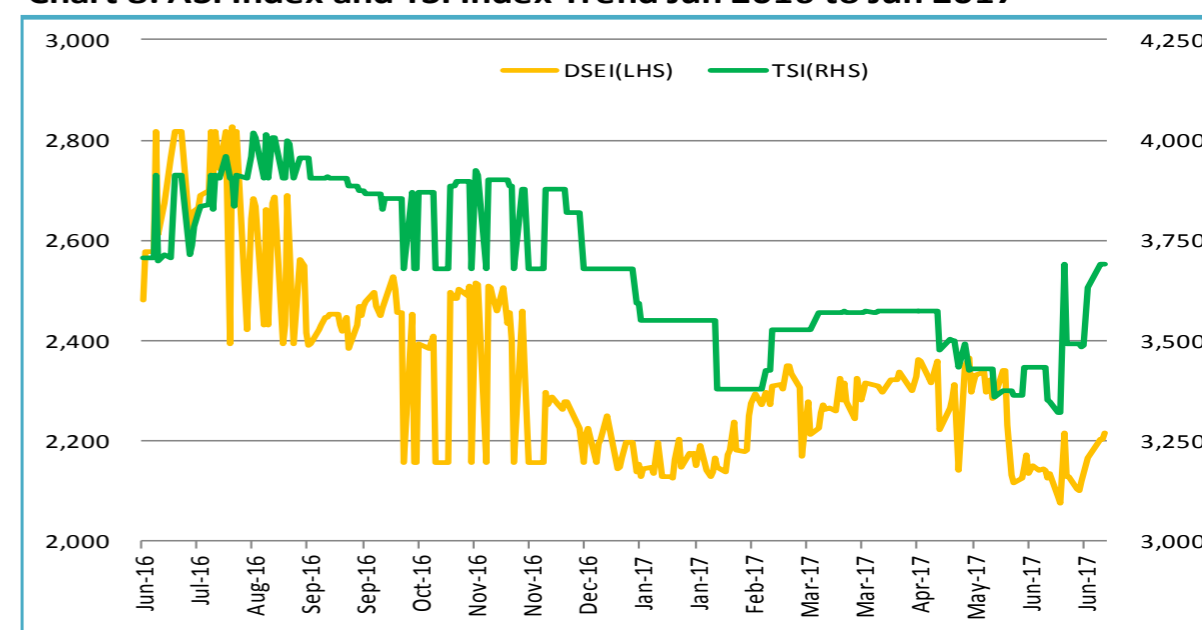
The DSE All Share index (DSEI) closed at 2,217.08 points, which is 11% decrease as compared to the previous year ended 30<sup>th</sup> June 2017. The decline in the index was attributed to the depreciation of cross-listed companies during the year under review. The Tanzania Share Index (TSI) experienced a marginal decrease to close at 3,692.03 points as compared to 3,706.15 points registered as at 30<sup>th</sup> June 2016.

**Table 3: Market Indices Jun "17", Mar "16" and Jun "16"**

Indices	30-Jun-17	30-Mar-17	30-Jun-16	Quarterly Change (%)	YOY Change (%)
All Shares Index (DSEI)	2,217.08	2,315.06	2,481.99	-4.2%	-10.7%
Tanzania Share Index (TSI)	3,692.03	3,572.68	3,706.15	3.3%	-0.4%
Industrial & Allied (IA)	4,914.43	4,618.86	5,175.59	6.4%	-5.0%
Banks, Finance & Investment (BI)	2,514.64	2,546.58	2,117.63	-1.3%	18.7%
Commercial Services (CS)	2,467.34	3,137.02	3,559.78	-21.3%	-30.7%

Source: DSE Market Report, CMSA

**Chart 8: ASI Index and TSI Index Trend Jun 2016 to Jun 2017**



LHS: Left Hand Scale; RHS: Right Hand Scale

Source: CMSA

The Banking, Finance & Investment (BI) Index increased by 19% during the financial year ended June 2017 to close at 5,514.64 points. The increase in the index was mostly attributed to the NMB share price rebounding from TZS 1,600 as at 30<sup>th</sup> June 2016 to TZS 2,750 as at the close of June 2017. The Industrial & Allied Index (AI) declined by 5% to 4,914.43 points as at 30<sup>th</sup> June 2017 from 5,175.59 points as at 30<sup>th</sup> June 2016. The Commercial Services Index (CS) plunged by 31% from 3,559.78 points as at 30<sup>th</sup> June 2016 to 2,467.34 points as at 30<sup>th</sup> June 2017.

## 6.2. THE BOND MARKET

### 6.2.1. The Primary Bonds Market

During the year 2016/17, Treasury bonds worth TZS 2,619.6 billion were offered compared with TZS 1,723.0 billion offered in the previous year. The bonds were generally undersubscribed, with 5-year and 7-year bond being highly undersubscribed whereas 2-year, 10-year and 12-year bonds slightly oversubscribed. The tendered amount was TZS 3,131.8 billion compared to TZS 1,730.2 billion recorded in the preceding year. Successful bids were TZS 1,696.8 billion compared to TZS 901.3 billion recorded in the previous year. The yield of 2-, and 7-year bonds increased from an average of 16.77%, and 17.27% to 17.31%, and 17.83%, respectively. Meanwhile, the yields of 7-, 10- and 15-year bonds dropped to 17.34%, 17.32% and 18.84% from 17.35%, 18.27% and 18.93%, respectively.

### 6.2.2. The Secondary Bonds Market.

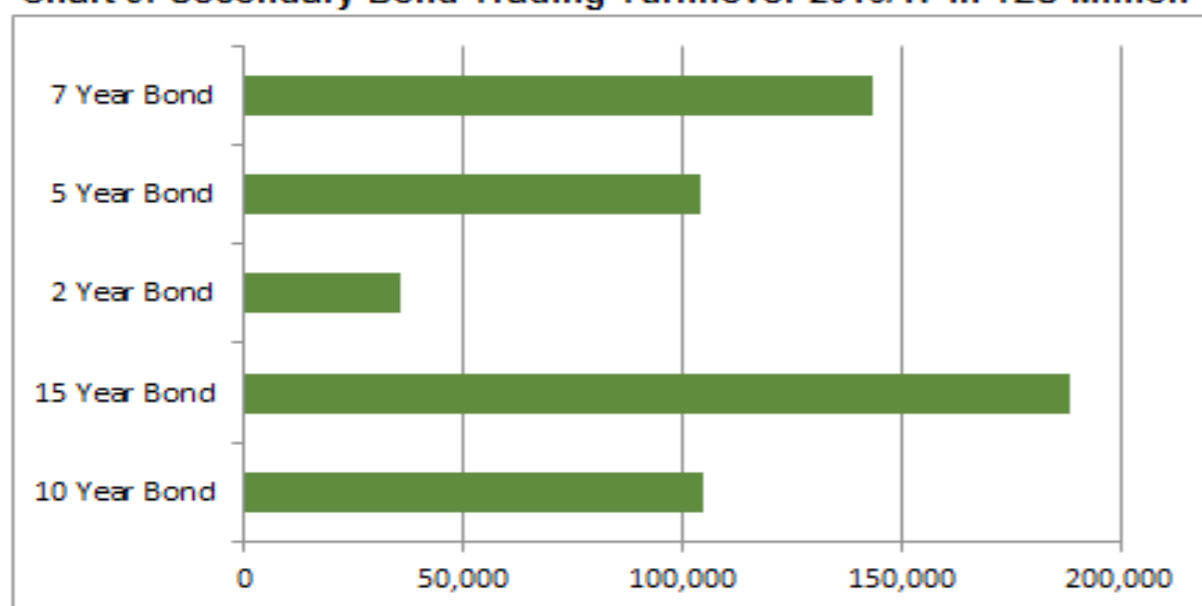
During the year 2016/17, Treasury bonds traded at the Dar es Salaam Stock Exchange amounted to TZS 581.37 billion, a 60% increase as compared to the previous year. The 7- and 15-year bonds were the most traded bonds accounting for 33% and 25% respectively, while 2-year bond was the least traded bond accounting for only 6% of the total turnover from bond trading. In 2016/17, the weighted average yield to maturity for 2-, 5-, 7-, 10-, and 15-year bonds were 16.39%, 16.68%, 17.86%, 17.76%, and 18.44% respectively. The average yields in different maturities declined in May and

June 2017 showing the signs of improving liquidity after deliberate measures by the Bank of Tanzania to cut down the statutory minimum reserve and discount rate in fourth quarter of the financial year 2016/17.

On the corporate bonds market, bonds worth TZS 693.90 million were traded at TZS 596.99. The increased activities in the corporate bond market were attributed to the efforts by the CMSA to launch retail bonds in the previous financial year.

Treasury bonds with different maturities worth TZS 6.72 trillion were outstanding as at the end of June 2017 while listed corporate bonds with face value of TZS 98.97 billion were outstanding.

**Chart 9: Secondary Bond Trading Turnover 2016/17 in TZS Million**



Source: CMSA

### 6.3. PERFORMANCE AND CONTINUOUS DISCLOSURE BY PUBLIC COMPANIES

In the year 2016 listed companies experienced mixed results in profitability and the overall performance. Cigarette and Breweries companies continued to post profits for the year under review. However, the banking sector experienced an increase in Non-Performing Loans (NPLs) and liquidity problems following the withdrawal of the Government's deposits from commercial banks to the Central Bank. Cement companies witnessed substantial decline in profits during the year 2016. Among listed commercial banks; DCB Bank and Mwalimu Commercial Bank (MCB) sustained losses in 2016 while CRDB's profit went down by approximately 43% in 2016.

**Table 4: Summary of Domestic Listed Companies Performance for the year 2016**

S/N	Name of the company	Trading Symbol	Net Profit 2016 (TZS Mln)	Net Profit 2015 (TZS Mln)	Price	EPS (TZS)	P/E	Dividend per share	Dividend Yield (Trailing)	Market Capitalization (TZS Bln)
1	CRDB Bank PLC	CRDB	74,094	128,978	175	28	16%	10	5.71%	652.96
2	DCB Commercial Bank Plc	DCB	(2,967)	3,089	400	(44)	-11%	-	0.00%	27.13
3	Dar es Salaam Stock Exchange Plc	DSE	2,010	1,943	400	36	9%	-	0.00%	20.25
4	Maendeleo Bank Plc	MBP	555	178	600	38	6%	-	0.00%	8.78
5	Mwalimu Commercial Bank	MCB	(730)	83	500	(12)	-2%	-	0.00%	32.15
6	Mkombozi Commercial Bank Plc	MKCB	1,046	953	900	51	6%	-	0.00%	20.62
7	MuCoBa	MUCOBA			400		0%	-	0.00%	3.26
8	National Microfinance Bank Plc	NMB	153,825	150,288	2,340	308	13%	104	4.44%	1,375.00
9	Precision Air Services Plc	PAL	(91,676)	(83,898)	470	(571)	-122%	-	0.00%	75.42
10	Swala Oil and Gas (Tanzania) plc*	SWALA			500		0%	-	0.00%	49.98
11	Swissport Tanzania Plc	SWIS	15,232	18,137	3,800	423	11%	339	8.91%	196.2
12	Tanzania Breweries Limited	TBL	228,981	216,555	13,400	771	6%	600	4.48%	3,539.14
13	Tanzania Cigarette Company	TCC	68,669	65,711	9,800	687	7%	600	6.12%	1,150.00
14	Tanga Cement Plc	TCCL	4,261	8,242	1,600	68	4%	80	5.00%	101.87
15	TOL Gases Limited	TOL	2,761	2,251	800	48	6%	-	0.00%	44.67
16	Tanzania Portland Cement Company	TPCC	39,838	56,247	1,800	221	12%	270	15.00%	412.02
17	TATEPA Ltd	TTP	(862)	(4,893)	650	(57)	-9%	-	0.00%	12.13
18	Yetu Microfinance Bank	YETU	844	376	600		0%	0	0.00%	7.27

Source: CMSA \*requested extension for submission of financial report

### 6.4. PERFORMANCE OF COLLECTIVE INVESTMENT SCHEMES

As at the end of June 2017 there were five open ended Collective Investment Schemes (unit trust schemes), two closed ended Collective Investment Scheme and one Real Estate investment Trust under operation.

#### 6.4.1. Open Ended Collective Investment Schemes

The UTT AMIS continued to publish the Net Asset Values (NAV) of the collective investment schemes under its management. During 2016/17, all schemes experienced positive inflows except for Umoja fund and Jikimu fund. The Liquid fund experienced the highest positive inflows in the year amounting to TZS 9,450.24 million followed by Watoto fund and Wekeza Maisha fund at TZS 481.47 million and TZS 221.11 million respectively. All 5 schemes experienced unit value growth during the year under review. Liquid fund had the largest NAV/unit growth of approximately 15%, followed by Umoja, Wekeza, and Watoto funds at 7%, 6% and 5%, respectively. Liquid fund, an income/debt fund, outperformed growth/equity funds following poor performance observed in the stock market during the year.

**Table 5: Open Ended Collective Investment Scheme**

S/n	Scheme	Scheme Size as at Jun 30, 2017 in TZS million	Scheme Size as at Jun 30, 2016 in TZS million	NAV per unit as at Jun 30, 2017	NAV per unit as at Jun 30, 2016	NAV Growth for the Year	NAV/Unit growth for the Year
1	Umoja Fund	205,586.03	219,537.86	510.84	479.11	-6%	7%
2	Wekeza Maisha	3,794.20	3,573.09	329.65	309.76	6%	6%
3	Jikimu Fund	22,982.58	27,838.99	126.21	126.24	-17%	0%
4	Watoto Fund	3,429.76	2,948.02	293.84	278.55	16%	5%
5	Liquid Fund	12,467.10	3,016.86	167.28	145.93	313%	15%

Source: UTT AMIS

## 6.4.2. Closed Ended Investment Scheme

During the period under review there were two closed Collective Investment Schemes namely; National Investment Company Limited (NICOL) and TCCIA Investment Company Ltd (TICL).

### 6.4.2.1 National Investment Company Limited (NICOL)

NICOL submitted audited financial statements for the financial years ended 31<sup>st</sup> December 2010 – 2016 and an application for no objection to the CMSA to re-list the company in the Dar es Salaam Stock Exchange (DSE). CMSA directed NICOL management to submit among others, mini-prospectus and business plan as part of the listing requirements. The company's Directors proposed TZS 25 as dividend per share to NICOL shareholders which was approved by the shareholders in the third Annual General Meeting.

NICOL continued to wind up two of its subsidiaries as agreed during the Annual General Meeting held in November 2016. The two subsidiaries are Interchem Pharmaceuticals and Beverages Company Ltd (IPBL), which Barclays Bank had placed in the receivership long before the appointment of interim management; and Tanzania Fisheries Development Company Ltd (TFDC), whose assets were disposed of to pay the African Banking Corporation (BancABC)'s outstanding TZS 6 billion loan.

### 6.4.2.2. TCCIA Investment Company Ltd (TICL)

The financial statements for TICL showed that the company made profit of TZS 177.86 million during the year ended 31<sup>st</sup> December 2016. The company's portfolio of listed securities lost TZS 5,102.9 million during the year to settle at TZS 27,254.97 million at the close of 31<sup>st</sup> December 2016. The portfolio value was impacted by the decrease of prices of the majority of shares comprising the portfolio.

## 6.5. FUND MANAGEMENT

Total assets under management excluding assets managed by UTT AMIS, were TZS 124.41 billion as at 30<sup>th</sup> June 2017, a 42% increase as compared to the position as at 30 June 2016. The funds placed with Fund Managers by private clients constituted 47.29% of the total funds under management whereas the funds placed by institutional investors were 48.13%. The funds were diversified in several asset classes with TZS 51.81 billion placed in cash, deposits and money market instruments, TZS 42.75 billion allocated in real estate, TZS 19.24 billion in Treasury bills, TZS 9.51 billion in Treasury bonds and the remainder in equities.

## 6.6. MONITORING OF DEALERS

All dealers submitted their financial statements as per regulatory requirements of Capital Markets and Securities Authority. The financial statements were analyzed and that most of the dealers complied with regulatory requirements, except three dealers who are operating under minimum capital requirement of Tanzanian Shilling equivalent of USD 250,000. These companies are implementing their capital build up plan in order to comply with the minimum capital requirement.

Table 6: Performance Highlights for Year 2016

S/N	Name of the LDM	Net income (TZS '000')		Total Assets (TZS '000')	Capital (TZS '000')	
		2016	2015		Dec-16	Dec-15
1	EA Capital	299,704.50	64,942.34	690,194.84	504,176.04	197,482.50
2	Solomon Stockbrokers	(34,252.32)	215,615.62	4,283,753.38	4,126,305.88	5,513,042.88
3	TIB Rasilimali Limited	(1,747,989.00)	805,871.00	4,155,559.00	3,489,335.00	5,151,983.00
4	Orbit Securities Limited	88,103.92	258,101.85	4,696,274.01	3,134,095.70	3,447,464.96
5	Zan Securities	117,178.86	337,284.63	1,756,376.47	1,331,339.66	1,339,084.88
6	Optima Corporate Finance Ltd	4,409.78	(61,919.85)	17,067.00	8,080.15	23,489.93
7	Arch Financial & Investment Advisory	238.81	(9,253.70)	114,941.40	(1,957.16)	(12,675.80)
8	Tanzania Securities Limited	229,721.55	264,728.18	3,310,736.48	2,316,790.65	2,554,287.85
9	Vertex Internatinal Securities Ltd	16,659.66	24,565.87	630,700.00	364,890.00	218,230.00
10	Smart Stockbrokers Limited***					
11	Core Securities Limited*					
12	Prudential Capital Group Limited**					
13	Victory Financial Services Limited**					
14	FIMCO Limited**					

Source: CMSA \*\*New licensee \*Deadline extension \*\*\* Financial year ending 30 June

### 6.6.1. Surveillance of DSE trading and CSD Operations

CMSA continued to monitor the activities of the Dar es Salaam Stock Exchange during the year ended 30 June 2016. Offsite monitoring of trading equities and bonds during the year under review was done on a daily basis. No misconduct or manipulations were detected during daily surveillance of trading activities at the DSE's Automated Trading System and Central Depository System.



## 7.0. STRATEGIC INITIATIVES AND ACTIVITIES CARRIED OUT DURING THE YEAR

### 7.1. Delivery of the CMSA's Obligations As Defined in the Law

#### 7.1.1. Staff Welfare

The Authority provides medical insurance to its staff and their families through the National Health Insurance Fund (NHIF). During the year under review, medical services provided were satisfactory.

#### 7.1.2. Staff Training

To improve the competence of its staff, the Authority continued to train its staff in various relevant fields both locally and internationally. Such training has not only enhanced the capacity of staff, but also increased their morale. The Authority will continue with the endeavor as and when funds and travel permits from relevant authorities are available.

#### 7.1.3. Recruitment

During the period under review, a number of positions fell vacant and the process for recruitment was initiated by submission of request for employment permits from the President's Office- Public Service Management (PO-PSM). The recruitment process will be finalized once the employment permit is obtained.

### 7.2. Achieve CMSA Financial Sustainability

The CMSA five year strategic plans 2013/14–2017/18 indicates that the Authority would be financed from the market in the fifth year of its implementation. The CMSA managed to finance its operations from market related revenue during the fourth year of implementation of the strategic plan.

Details on amounts and trends of market related revenue generation are included in the financial reports for the period under review where market related revenue amounted to TZS 3,546.9 million which is below the budgeted amount of TZS 5,514.2 million, exhibiting a decrease of TZS 2,034.7 million, equivalent to 32.5%. The decrease is due to the slow pace of submission of anticipated IPO applications which would have increased the volume of transaction at DSE and the transaction fee to CMSA.

### 7.3. Strengthening of the Legal and Regulatory Environment

#### 7.3.1. Enactment of the New Capital Markets Act.

During the year, CMSA reviewed the draft bill and circulated it to stakeholders for comments. Stakeholders' comments were scrutinized and incorporated into a draft Capital Markets Act.

By the end of the financial year under review, technical assistance was being sought to make proposals for provisions on securities depositories and clearing houses in compliance with IOSCO principles and international best practice.

### 7.4. Develop Regulations/laws for New Products and Members

#### 7.3.1. Development of New Regulations for New Products and Market Intermediaries to Complement the New Capital Markets Act.

Management commenced the development of laws/regulations for new products and market intermediaries to complement the New Capital Markets Act as follows-

- i. Regulations on Clearing Houses (CDS) risk methodologies that comply with IOSCO objective and Principles for the clearing houses;
- ii. Regulations on Municipal Bonds;
- iii. Regulations on the central securities depository;
- iv. Rules/regulations facilitating the launching of the market in derivative products, securitization, credit rating and venture capital funds;
- v. Risk based capital adequacy requirements and qualification of market intermediaries taking into account EAC regional initiatives and the EAC Common Market Protocol implications; and
- vi. Rules/regulations on stock borrowing and lending.

#### 7.3.2. Separation of Central Securities Depository (CSD) from the Stock Exchange (DSE).

The process to separate the CSD from the DSE commenced during the year under review. This process involved CMSA's approval of the CSD Rules, the MEMARTS for the CSD subsidiary company, the proposed shareholders, Management structure, the capital of the CSD Company and vetting of the first Management of the CSD Company.

In September, 2016, DSE submitted an application requesting CMSA's approval to operate a CSD. Evaluation of the application continued into the following financial year.

#### 7.3.3. Compliance with IOSCO Principles of Securities Regulation - Half Yearly Assessment Report of Compliance with IOSCO Objectives

The half yearly assessment with IOSCO Principles of Securities Regulation was conducted during the period under review and it was observed that most areas for non-compliance that were identified as weaknesses in the previous assessment have been addressed in the current Capital Markets Act as amended in 2010. However, among the Principles that are partially implemented include Principle 3, 4, and 21 while Principles 2, 6, 7, 16, 17, 22, 24, and 29 have not been implemented. In order to address the weaknesses and become compliant it was resolved that the gaps be addressed in the new Capital Markets Act of which provisions are being included in the draft Act.

### 7.3.4. Increasing Number of Intermediaries in the Market - Licensed Commodity Markets Intermediaries

During the year seven companies applied for Commodity Exchange Dealer's License. Five companies were approved and were issued with Commodity Exchange Dealer's licenses after fulfilling all the licensing requirements.

### 7.4. The New Finance Act 2017

In June 2017 the National Assembly passed the Finance Bill, which removed the restrictions on participation of non-Tanzanian investors in the Initial Public Offers (IPO) of the telecommunication companies. The Act also allows the CMSA, in consultation with the responsible Minister, to come up with the modality on how to raise the entire money as required by the law for the company that fail to attain the prescribed threshold of 25% of its (the company) issued and paid up share capital.

The effect of the amendment is to assist and ensuring successful IPOs and to create a level playing field in terms of IPO participation.

### 7.5. Strengthening the Enforcement Function

The Capital Markets and Securities Act has established the Capital Markets Tribunal composed of a Chairman who must be a person qualified as judge of the High Court appointed by the President after consultation with the Chief Justice. The Minister is conferred with powers to appoint four other members who have knowledge on capital markets of which one must be a lawyer.

Until the end of the year under review, the Ministry of Finance and Planning was working on the appointment of members of the Capital Markets Tribunal.

### 7.6. Licensing of Market Intermediaries - Renewal and Grant of New Licenses.

During the period under review the following applications for licenses were received and approved:

- i. 1 Stock Exchange License.
- ii. 8 Investment Adviser's License (Fund Management category) and 14 representatives' Licenses.
- iii. 12 Investment Adviser's Licenses and 24 representative's Licenses;
- iv. 1 Custodian of Securities License.
- v. 5 Nominated Adviser's license and 5 Representatives' Licenses.
- vi. 13 Broker/Dealer's Licenses 25 Securities Authorized Dealer's Representatives Licenses.
- vii. 3 Dealer's License (bond trader) and 4 Representatives.
- viii. 5 Commodity Dealer's and 7 Commodity Dealer's Representatives Licenses.

### 7.7. Regional and International Cooperation - Participation in Regional and International fora

#### 7.7.1. Attendance to the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)

CMSA was represented in the 33<sup>rd</sup> ESAAMLG Task Force of Senior officials meeting was held on the 6<sup>th</sup> - 7<sup>th</sup> April, 2017 in Arusha Tanzania. The meeting was preceded by the various committees meetings held from 31<sup>st</sup> March- 5<sup>th</sup> April, 2017. An ESAAMLG Task Force of Senior officials meeting was attended by Permanent Secretaries from Ministries of Finance, Ministry responsible for law enforcement agencies and Ministry of Justice of member countries and Members of the National Committees on Anti-Money Laundering.

During the meeting the United Republic of Tanzania among others presented the progress report on the implementation of the recommendations of past typologies studies/projects which included the Report on Money Laundering and Terrorist financing through the Securities industry in the ESAAMLG region. CMSA reported on this Study while the Bank of Tanzania and the office of the AG presented on the other studies relevant to their mandates. Member countries were urged to ensure that the reports use the template designed to elicit information on risks, trends and method that exists on implementation or failure to implement the said studies in order to ensure that jurisdiction apply risk based approach to ML/TF.

Tanzania's 2nd round of Mutual evaluation is going to take place in early 2018. This evaluation will look into the legal and institutional framework for AML/CFT as well as the implementation of the legal framework. The 2nd round of Mutual evaluation will be based on the new FATF principles that emphasize on the effectiveness aspects of implementation. This exercise calls for CMSA to improve on its supervision framework and take seriously AML/CFT issues and ensure that they are indicated inspection reports. In preparation for second round of evaluation during the period under review the following were undertaken:

- i. a check list was developed from the Anti-money laundering guidelines to guide the CMSA inspections on ML/FT issues;
- ii. Inspection reports have been improved to include a separate item on AML/CFT issues;
- iii. inspections of licensees have been improved to focus on the risks, trends and methods related to ML/FT.

#### 7.7.2. Attendance of the 44<sup>th</sup> East Africa Securities Regulatory Authority's meeting

CMSA was also represented in the 44<sup>th</sup> EASRA meeting that was held from 26<sup>th</sup> - 28<sup>th</sup> September, 2016 in Kampala Uganda. Among the resolutions of the meeting include agreeing to a collaborative framework for which cross border Initial Public Offers (IPO) as well as the licensing of regional market players will be undertaken and sharing of information on effective supervision of commodities exchanges within the region. The Consultative Committee emphasized the importance of harmonization in enforcement of securities laws and agreed to develop legislative provisions to ensure that the East

African securities regulators have the same enforcement powers regardless of the differences in their enforcement procedures and manuals. Regulators also discussed progress made towards the implementation of a certification program aimed at establishing minimum industry standards across the region.

### 7.7.3. Attendance of the 45th East Africa Securities Regulatory Authority's Meeting

CMSA also attended and provided secretarial services to the 45<sup>th</sup> EASRA which was held in Nairobi Kenya from 1<sup>st</sup> to 3<sup>rd</sup> March 2017. Among the resolutions of the meeting include EASRA members agreeing to support the establishment of a Capital Markets Advisory Centre (CMAC) to enhance Small and Medium Enterprises (SME) access to capital; and deliberated on full implementation of risk-based supervision; regional capacity building programmes through partnership with the Chartered Institute for Securities and development of case studies to facilitate capacity-building among regulators.

### 7.7.4. Hosting of the East Africa Securities Regulatory Authority's Technical Meeting

CMSA hosted the EASRA Technical Committee meetings held in Bunju, Dar es Salaam from 19<sup>th</sup> to 21<sup>st</sup> June, 2017. The meetings provide forums for mutual assistance to its member states in the development of capital markets institutions and exchanging information to facilitate the enforcement of their respective laws and regulations among other things.

CMSA will continue to be represented in various regional and international fora in accordance with the Government directives.

## 7.8. Resolving Market Structure Weaknesses

### 7.8.1. Plan for a Single National CSD with Interim Linkage.

The BOT and DSE Central Securities Depository (CDS) Inter-linkage was completed through the five modules that are account management module, security settlement module, security management module, collateral management module and security event/corporate action module. The DSE and BOT completed end-to-end factory test between the two CDS, as well as implementing final user acceptance test and approved the system which went live on 31<sup>st</sup> July 2017.

### 7.8.2. Merging Registry Functions into the CDS

DSE has continued to offer registry functions to its clients. A new client during the period was VODACOM (T) Ltd who joined the list of the following existing clients MUCOBA, Tanga Cement, NICOL, TOL, Swala Energy, Mkombozi Commercial Bank, Mwalimu Commercial Bank and Maendeleo Bank.

Enactment of the new Capital Markets Act is expected to bring Registry Services into CMSA's regulations hence further reduce risks to the investors and to the market at large.

## 7.9. Strengthen Market Intermediary Environment

### 7.9.1 Updated Capital Adequacy Requirements to Encourage New Entrants and Mergers of Brokers.

CMSA continued to enforce compliance with the minimum capital requirement of Tanzania shilling equivalent of USD 250,000 which was adopted by the EAC Partner states. As at 31<sup>st</sup> March, 2017 all stockbrokers and dealers with the exception of five brokerage companies had shareholders' funds greater than the prescribed minimum capital requirements.

New licensees are given a moratorium of 3 years in which are required to attain the minimum capital requirement. CMSA continues to ensure that all market intermediaries comply with all the statutory requirements.

### 7.9.2. EAC Provisions for Risk Based Capital Adequacy.

During the year under review CMSA sent new Financial Resources Requirements and Risk Based Capital Adequacy Template for market intermediaries to fill in the required information as the pilot for implementation of risk based capital adequacy. On the successful implementation of the pilot exercise, the Financial Resources Requirements for market intermediaries was communicated to the market intermediaries in May 2017. CMSA continued to sensitize the market on the proposed haircuts before the Financial Resources are in operation.

CMSA will continue to monitor the compliance by the market intermediaries to the Financial Resources Requirements for market intermediaries which has already been sent to them.

## 7.10. Risk Based Supervision Framework

With regard to implementation of Risk Based framework the Authority is currently working on Risk Based Supervision Manual and Risk Management Guidelines for the Market Intermediary. In addition, the Authority is currently preparing licensees risk profiles and business risks for Tanzania securities market. The aforementioned, templates and reports were completed in the 1<sup>st</sup> quarter of financial year 2016/17.

Exposure of staff to the RBS framework and appropriate supervisory systems including pilot examinations were undertaken during the period year review and Risk Management Guidelines were shared with the Market intermediaries.

## 7.11. Establishment of the Commodity Exchange

### 7.11.1. Progress Towards Operationalization of the Commodities Exchange

A number of activities were carried out and accomplished towards the operationalization of the commodity exchange during the year under review. Among the activities include the following:

- i. **Stakeholders Workshop on the Commodity Exchange Business Plan.**  
The CMSA conducted stakeholders' a workshop on the Commodities Exchange Business Plan and Warehouse Receipt Gap Analysis held on 3 November 2016 at Kisenga Hall, LAPF Tower. The objective of the workshop was to allow M/S Elen Exchanges Ltd, the Consultants on the Commodity Exchange Business Plan and Warehouse Receipt Gap analysis assignments to receive comments from stakeholders on the draft report of the consultancy assignment.

- ii. **Visit to Mtwara, Lindi, Masasi & Kilwa for Cashew nuts and Sesame Value Chain Analysis as part of the Commodity Exchange operation preparatory process:** CMSA in collaboration with Warehouse Receipt Regulatory Board (WRRB) and Cashew nut Board of Tanzania conducted a TMX visit to Mtwara, Lindi, Masasi and Kilwa for Cashew nuts and Sesame value chain analysis in December 2016 to assess the readiness of the Warehouse Receipt System (WRS) to support the commodity exchange operations.
- iii. **Preparation of Tanzania Mercantile Exchange Business Premises and Trading Floor:** Partitioning and implementation of digital network design of the Commodity Exchange office premises and trading floor located on the fourth floor of the new LAPF Millennium Tower was completed. Furniture and other equipment to allow office activities to be undertaken have been installed.
- iv. **Preparation of commodity contracts:** Commodity standard contracts for sesame, chicken peas, sunflower, maize, pigeon peas were prepared and were tabled for approval to the Tanzania Mercantile Exchange and were approved by the CMSA Board in July 2017. Meanwhile the Warehouse Receipt Regulatory Board has initiated actions to bring the sesame crop under the warehouse receipt in a view to launch sesame trading on the TMX.
- v. **Capital mobilization and Engagement of Commodity Operation Expert:** The Government through the Treasury Registrar has already injected initial capital amounting to TZS 3.0 billion into the TMX to enable its operationalization. Public Service Pension Fund (PSPF) is at the final stage of injecting capital of TZS 1.0 billion into the TMX. Private Sector under its apex body, Private Sector Foundation has also been approached to inject capital into the Exchange. These endeavors will facilitate launching of the first trade at the TMX.
- vi. **Automation of the Commodity Exchange:** CMSA submitted to the World Bank the Terms of Reference for engaging the ICT Consultant who will assist in automating Tanzania Mercantile Exchange and Warehouse Receipt System. The CMSA received no objection from the World Bank to procure the system which is expected to contain market surveillance module for the Regulator. The Authority will continue to make close follow up to with all development partners who have shown interest to support commodity exchange.
- vii. **Review and award license to the commodities Exchange Company and the exchange intermediaries:** TMX submitted application for license in December 2016. The Authority approved and granted the license on 9<sup>th</sup> January 2017.  
  
TMX Rules Book has been approved by the TMX Board and subsequently by the Authority. Training of commodity exchange market intermediary on the Rule book and commodity exchange regulations is scheduled to be undertaken in August 2018 ahead of the Cashew nut season.

## 7.12. Development of the Capital Markets Policy

The draft capital market policy was developed as planned. By the end of quarter four of the year under review the initial draft capital market policy was submitted to the Ministry of Finance and Planning (MOFP) for their scrutiny and clearance. It was planned that once the initial draft policy is cleared by the MOFP, the same would be circulated to the key stakeholders for their comments before the same is submitted to the Authority's Committee on Rules and Regulations and the Authority.

The CMSA is closely following up with the office of the MOFP to ensure that the draft policy is cleared. Once the same is cleared it will be submitted to the key stakeholders for their comments and to the Inter-Ministerial Technical Committee (IMTC) and Cabinet for approval.

## 7.13. National Capital Markets Master Plan (NCMP)

CMSA continued to engage the government by providing background information on the development of the NCMP through discussion of the concept paper on the development of NCMP. During the discussion it was agreed that the MOFP will initiate the process of obtaining cabinet approval for the development of the NCMP, once approval of the Minister for Finance and Planning is obtained.

In addition, given the potential benefits of the NCMP and the fact that it will be a national project, CMSA in collaboration with the MOFP are finalizing plans with the Cabinet Secretariat with the view of having a working session to provide briefing to the members of the Inter-ministerial Technical Committee (IMTC) by way of presentation in order to have their buy-in. The initiatives will be continued in the financial year 2017/18.

## 7.14. Deepening and Broadening the Market

### 7.14.1. Increasing Number of Products in the Market

#### i. Equity Market:

Four (4) equity applications were approved by the Authority as compared to the plan of Five (5). Following the initiatives to comply with the Electronic and Postal Communication (EPOCA) Act, different licensees of the TCRA are at different stages towards compliance with the requirements of the Act. The Authority has planned to increase more products in FY 2017/18 whereby eight equities, one cross listing, two collective investment schemes and two commodity contracts are expected to be approved.

#### ii. Corporate Bonds

CMSA received one application as compared to the plan of two. The review of the application is in progress and will be submitted to the Corporate Approval and Licensing Committee of the Authority in Quarter I of FY 2017/18.

## 7.15. Strengthen Capacity of Potential Issuers

### 7.15.1. Capacity Building of Regulatory Staff - Regional Program for Securities Regulator

The CMSA hosted the regional leadership program for securities regulators on international standards, regulatory surprises and crisis management from 01<sup>st</sup> to 05<sup>th</sup> August 2016 in the Isles of Zanzibar, United Republic of Tanzania.

The program was attended by 40 participants from the East African Securities Regulatory Authorities (EASRA) and securities regulators from the Southern African Development Community (SADC) working under the SADC Committee of Insurance, Securities and Non-Banking Financial Authorities (CISNA).

The program was facilitated by Toronto Centre (TC), a Global Leadership Training Centre for Financial Supervision, which offers innovative, customized capacity building programs for financial sector supervisors and regulators from around the world.

### 7.15.2. Conducted Securities Industry Certification Course (SICCs)

The CMSA in collaboration with the Chartered Institute of Securities and Investment, UK conducted the securities Industry Certification Course (SICCs) for the capital markets regulatory staff. The program was conducted from 05<sup>th</sup> to 09<sup>th</sup> December 2016 in Dar es Salaam, Tanzania. The programme was attended by 25 staff of CMSA, 10 lecturers from universities and higher learning institutions, 2 DSE staff and 2 staff from the Financial Sector Deepening Trust.

The programme was facilitated by trainers from the Chartered Institute of Securities and Investment (CISI) of the United Kingdom (UK).

CMSA has planned to conduct one continuous professional education (CPE) capacity building program for regulatory staff in FY 2017/18.

## 7.16. Increasing the Number of Market Professionals

### 7.16.1. Securities Industry Certification Course (SICC).

CMSA in collaboration with the Chartered Institute for Securities and Investment (CISI) UK, conducted one (1) Securities Industry Certification Course as from 13<sup>th</sup> February to 3<sup>rd</sup> March, 2017 which was attended by 43 participants.

The program had three (3) modules namely; International Introduction to Securities and Investment (IISI), Global Securities Module and the Regulatory Module.

The CMSA will continue to collaborate with the CISI in conducting two certification courses to the Capital Markets Players in Tanzania in FY 2017/18.

## 7.17. Public Education and Awareness Programmes

The CMSA conducted a number of capital markets and commodity exchanges awareness program including the following programs;

### i. Conducting Phase II Commodity Exchange Awareness campaigns.

Phase II Commodity Exchange Awareness campaign was conducted in all districts of Lindi and Mtwara regions in December 2016. The campaign was intended to establish the current status of the WRS with respect to cashew and sesame seeds and assess the readiness of the warehouses to the operations and commencement of trading at the TMX.

### ii. Conducting awareness programmes on the capital markets to the members of parliament, Policy Makers, Business News Editors, Journalists and other professionals.

The CMSA conducted a seminar on the roles and function of the CMSA to the members of Parliamentary Committee of Budget on 18<sup>th</sup> January, 2017. During the seminar, members of the Committee were also briefed on how the capital markets can be used to finance Government budget. In addition, members of the Committee had an opportunity of visiting the Dar es Salaam Stock Exchange (DSE) and Tanzania Mercantile Exchange (TMX).

The Management will continue to organize awareness programmes on the capital markets and commodity exchanges to various targeted groups such as members of Parliament, Policy Makers, Business News Editors, Journalists and other professionals.

### iii. Airing of TV and Radio Programmes

During the year under review airing of TV and radio programmes by senior CMSA persons to enhance public image of the CMSA was conducted covering three TV and four radio programs on the opportunities and benefits of participating in the capital markets.

The TV programs were aired on Clouds TV, TBC and ITV while the radio programs were broadcasted on Clouds FM, Times FM, E FM and TBC FM.

### iv. Drafting of the Awareness Programs to Increase Financial Literacy for the Youth

The CMSA prepared draft programs which are adopted as financial literacy for the Youth. The programs are designed to be implemented in secondary schools countrywide. The programs are expected to be implemented in the FY 2017/18

### v. Participation in Exhibitions, Crowd Pulling Events and Other Awareness Programs

CMSA participated in the Dar es Salaam International Trade Fair (DITF) from 28<sup>th</sup> June to 13<sup>th</sup> July 2017. The participation was organized jointly with other institutions under the Ministry of Finance and Planning (MOFP). The purpose for the joint participation was to reduce cost of participation, take advantage of number of institution to pull crowd and bring under one roof for ease dissemination of the information.

Participation in seminars, exhibition and other crowd pulling events in upcountry regions like the National Agriculture show (Nane nane), seminars to various targeted groups such as members of Parliament, Policy Makers, Business News Editors will be conducted to enable wider reach to the upcountry investors, professionals and the general public.

## 7.18. Improve CMSA Retail and Institutional Profile

### 7.18.2. Review of Capital Markets Financial Inclusion Framework

The CMSA conducted an in-house review exercise of the progress of implementation of the securities industry financial inclusion framework which was implemented from January 2014 to December 2016 enabling CMSA recording a number of milestones as follows;

- i. Bridging the barrier to proximity and access points to enable easier and reliable means of trading in securities through the use of mobile telephone platform in trading securities. Through the use of the platform investors and the general public can participate in both primary and secondary capital markets by the use of mobile phones.
- ii. Improved payment infrastructure that facilitates timely clearing and settlement of the secondary capital markets transaction cycle. This has been achieved through implementation of robust and timely electronic clearing and settlement system and reduction of transaction cycle through the improvement of the clearing and settlement cycle for DSE transactions from T+5 to T+3 for equity securities and from T+3 to T+1 for debt securities.
- iii. Implemented an enhanced technological tool for market surveillance and investigation on real time basis at CMSA and linking the National Payment System with the Central Securities Depositories at the DSE and the Bank of Tanzania which has enabled a true delivery versus payments to be achieved.
- iv. Introduction of new products and robust regulatory environment. A number of activities were done including the enactment of the Commodity Exchanges Act 2015; and its Regulations, commencement of the review of the Capital Markets Act which is expected to be finalized by the end of 2017, amendments to the Electronic and Postal Telecommunications Act (EPOCA) 2010 through the Finance Bill 2016 and 2017, promulgation of Regulations for the Special Mining licensees to issue shares and list at the DSE, operationalization of the second tier market of the DSE for startup, small and medium size companies (Enterprise Growth Market Segment [EGM]), demutualization of the DSE, increase products and listings at the DSE and intensified public awareness programs.

v. Increased participation in the capital markets through increased number of investors in securities which changed over the years from 2014 to 2017 as follows:

- Equity Securities investors increased from 154,690 to 510,965,
- Corporate Bonds investors increased from 68 to 2,304,
- Government Bonds investors increased from 348 to 1,071, and
- Collective Investment Schemes unit holders increased from 115,973 to 126,026.

The increases bring to the total investors in the capital markets to 640,366 from 271, 079.

vi. Identified and addressed the barriers to financial inclusion in the securities industry which included supply, demand and structural barriers. The demand side barriers ranged from inappropriate services and infrastructure that do not meet demand-side needs, high costs due to inefficiencies of service delivery and lack of suitable products that addresses the needs of the consumers. On the demand side, barriers such as information asymmetry, irregular income patterns, unmet demand in rural areas and low awareness were identified. On the structural side lack of awareness and access to participation infrastructure were identified.

### 7.16.3. Drafting of new Securities Sector Financial Inclusion Framework

CMSA is finalized reviewing the implementation of securities industry financial inclusion framework and drafting of a new framework following the successful implementation of the framework which was implemented from January 2014 to December 2016. The new framework is expected to finalize addressing the broad barriers of access, low awareness and picking from the previous framework experience the utilization of mobile money services and other technology-driven financial services.

The new framework which covers a period of 5 years, will include strategies that would enable an increased participation of the population in the securities sector and will be conformity with the CMSA's strategic initiatives of promoting development, supply and demand of capital markets products; improving infrastructure for easy, reliable, safe and reasonable participation channels and improving regulatory environment for easy, efficient, transparent participation in the securities markets.

### 7.16.4. Scanning of News Coverage Concerning Capital Markets and Commodity Exchange Sector

The financial year 2016/17 attracted comprehensive news coverage on capital markets issues in the main stream media and electronic media outlets mainly attributed to the ongoing activities in the capital markets.

The topics of contention include the progress of the implementation of the amendments of the Electronic and Postal Communication Act, 2010 (EPOCA) and the promulgation of the Mining Regulations that require special mining license holders to issue shares to the public and list at the DSE. Moreover, the progress on approval of the submitted prospectuses by the telecommunication companies, amendments of the EPOCA by the Finance Bill 2017 which allowed participation of foreign investors in the telecommunication companies'

impending initial public offer (IPO) and listings were also covered prominently.

Other activities which featured in the press include the Capital Markets University Challenge programme 2016/17, performance of the DSE, the CMSA international award as the most innovative capital markets in Africa which was conferred to CMSA in September 19<sup>th</sup> 2016 in New York among other activities. Features articles and commentaries were also prominently covered in the press and in social media outlets.

#### 7.16.5. Public Speaking Including Television and Radio Coverage

The financial year 2016/17 attracted numerous media interviews and enquiries from all media streams locally and internationally. A number of press enquiries and interviews from both local and international correspondents were responded to and covered in the print and electronic media outlets. Several inquiries on the establishment of the commodity exchange were also made and featured in the press.

#### 7.16.6. Development of Communication Strategy for Capital Markets and Commodity Exchanges

As a strategy to increased visibility and positive corporate image of the securities industry, CMSA finalised the drafting of the Capital Markets and Commodity Exchanges Communication Policy and Strategy. The Communication Policy and Strategy which has incorporated stakeholder's comments is an important tool establishing policies, guidelines and rules concerning internal and external flow of information within the CMSA and its stakeholders and the general public.

#### 7.16.7. Preparation of Clients Service Charter

During the year under review CMSA drafted Clients Service Charter. The Charter is the CMSA's commitment to its stakeholders to continually improve service delivery in order to meet stakeholders' needs and outlines ways stakeholders, investors and the general public can help CMSA continue to meet their expectations. The Charter sets out the service standards that capital markets and commodity exchanges stakeholders and the general public expects from the CMSA and how these services will be provided to them.

In designing the charter key guidelines regarding public service delivery standards, code of ethics and effective management of resources and stakeholders comments were considered and adopted. International best practices and standards for effective capital markets service delivery under the standards set by the International Organization of Securities Commission (IOSCO) were also considered.

### 7.19. Market Challenges

- i. The market is vulnerable to macroeconomic performance leading to decline in profitability of listed entities.
- ii. The market is highly concentrated in a few firms as out of 18 domestic listed companies 5 companies contribute more than 92 percent of market capitalization.
- iii. Limited market liquidity which is contributed mainly by buy and hold behaviour among institutional investors.
- iv. Narrow market depth and width which is aggravated by preference of family owned businesses as opposed to public companies. This coupled with a limited free float provides little room for diversification for investors;
- v. Absence of strong market intermediaries who can serve as market makers;
- vi. Low financial literacy on the part of Tanzanians;
- vii. Delay in constituting the Capital markets Tribunal results in the absence of a dispute redress mechanism. and Members of the Board of the Authority

### 7.20. Future Outlook

In the next financial year, CMSA's activities will include the following:

- i. Continue to take measures aimed at enhancing the integrity of the market and investors' confidence, protection of investors, development of new market platforms and distribution channels, increase in the number of products and market intermediaries.
- ii. Addressing the demand and supply side weaknesses in the market as well as efficient supervision and regulation of the securities industry and commodities exchanges to ensure sustainable market transparency and integrity.
- iii. Create a roadmap for achieving higher standards for market intermediaries so as to achieve stability in the capital markets and develop a framework for crisis management.
- iv. Increase market liquidity through promoting new products for issue to the market and restructure the market to accommodate different categories of investors and issuers
- v. Work with the Ministry of Finance and Planning in progressing the enactment of the New Capital Markets Act and review of its regulations;
- vi. Strengthening the enforcement function. As operations in the market in terms of intermediaries and transactions increases, so do regulatory challenges associated with them. This will entail to operationalize the Securities Tribunal in order to handle disputes in the securities industry.

- vii. Conducting public awareness programs to different audiences to improve literacy in capital markets and commodity exchange and formulation of new financial inclusion framework for the securities industry.
- viii. Operationalize the commodity exchange which will be achieved by launching the first trade at the exchange, conducting capacity building for commodity exchange market intermediaries and exchange staff and increase approved commodity contracts.
- ix. Implement a new securities industry financial inclusion framework designed to create enabling environment for the capital markets and commodity exchanges to be well integrated in the economy
- x. Implement the CMSA's Communication Strategy to create an industry platform for enhanced institutional profile and wider capital markets participation so as to improve financial inclusion and literacy.
- xi. Work with the Ministry of Finance and Planning in progressing efforts to finalize the approval of the Capital Markets Policy thereby enable the completion of the preparation of the National Capital Markets Master Plan which aims making the capital market in the country assumes its rightful role of engine for economic growth of the country.
- xii. Prepare a new strategic plan which will set the direction of the development of the capital markets and the commodity markets sub sector for the next five years.

## 8.0. FINANCIAL REPORT

### 8.1. An Overview of the Financial Statements

Presented below are the Financial Statements of the CMSA for financial year 2016/2017. As has been in previous financial years, a Clean Opinion has been issued on the CMSA's Financial Statements by Controller and Auditor General, who is the statutory auditor of CMSA by virtue of article 143 of the constitution of the United Republic of Tanzania, amplified in the section 30 (1) (c) of the Public Finance Act No. 6 of 2001 (revised 2004). However, in accordance with section 37 (5) PricewaterhouseCoopers were authorized to carry out the audit of CMSA on behalf of the Controller and Auditor General.

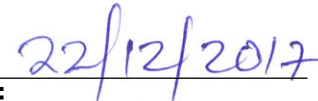
The CMSA Act requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit for the year. It also requires the directors to ensure that the CMSA keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the CMSA. They are also responsible for safeguarding the assets of the CMSA and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

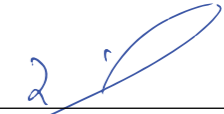
The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the CMSA Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the CMSA and of its surplus in accordance with International Public Sector Accounting Standards (IPSAS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

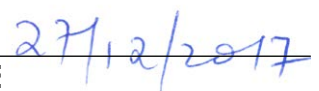
Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by;

  
\_\_\_\_\_  
**CHAIRMAN**

  
\_\_\_\_\_  
**DATE**

  
\_\_\_\_\_  
**DIRECTOR**

  
\_\_\_\_\_  
**DATE**




## 8.2 DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30TH JUNE 2017

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I Exaut Julius being the head of finance of Capital Markets and Securities Authority (CMSA) hereby acknowledge my responsibility of ensuring that financial statements of the year ended 30 June 2017 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Capital Markets and Securities Authority (CMSA) as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Head of Finance

NBAA Membership No: T.ACPA 1756

Date: 20th December, 2017

To: Chairperson,  
Capital Markets and Securities Authority  
P.O. Box 75713  
Dar es Salaam

## Report on the audit of financial statements for the financial year ended 30<sup>th</sup> June, 2017

### Introduction

I have audited the financial statements of Capital Markets and Securities Authority, which comprise the statement of financial position as at 30th June, 2017, and the statement of financial performance, statement of changes in equity and statement of cash flows and comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out from page 47 to 59.

### Opinion

In my opinion, the accompanying financial statements of the Capital Markets and Securities Authority are presented fairly in all material respects, the financial position of the Authority as at 30<sup>th</sup> June 2017, its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of Capital Markets and Securities Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

### Other Information

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

## Report on the audit of financial statements for the financial year ended 30<sup>th</sup> June, 2017 (continued)

### Other Information (continued)

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

## Report on the audit of financial statements for the financial year ended 30<sup>th</sup> June, 2017 (continued)

### Report on Other Legal and Regulatory Requirements

#### Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Capital Markets and Securities Authority procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.



Prof. Mussa Juma Assad,

Controller and Auditor General of the United Republic of Tanzania

8<sup>th</sup> February, 2018

National Audit Office of Tanzania,

P.O. Box 9080,

11101 Dar es Salaam, Tanzania.

Tel: 255 (022) 2115157/8

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STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

	Note	2017 TShs'000	2016 TShs'000
<b>INCOME</b>			
<b>Revenue from non - exchange transactions</b>			
Government Subvention	4	844,650	2,660,875
Grant	4	285,590	53,046
Other non-exchange transactions	4	146,209	86,854
<b>Revenue from exchange transactions</b>			
Fees	5	3,399,413	3,259,783
Other income	5	205,389	190,354
		4,881,251	6,250,912
Net gain on foreign exchange		21,668	19,348
<b>TOTAL INCOME</b>		<b>4,902,919</b>	6,270,260
<b>EXPENSES</b>			
Staff costs	6	(2,572,623)	(2,170,008)
Administrative expenses	7	(1,210,867)	(1,051,724)
Market development, cooperation and training expenses	8	(594,397)	(790,397)
Depreciation and amortization	12,13,14	(210,081)	(108,782)
Other operating expenses	9	(234,293)	(225,879)
<b>Total expenses</b>		<b>(4,822,261)</b>	(4,346,790)
Gain on disposal of Property and equipment		1,458	-
<b>Surplus for the year</b>		<b>82,116</b>	1,923,470

STATEMENT OF FINANCIAL POSITION

	Note	2017 TShs'000	2016 TShs'000
<b>Non-current assets</b>			
Property and equipment	12	402,312	442,795
Intangible assets	13	3,919	6,908
Leasehold land	14	1,167,493	1,191,816
Receivable from non-exchange transactions	15	194,864	378,173
<b>Total non-current assets</b>		<b>1,768,588</b>	2,019,692
<b>Current assets</b>			
Receivable from exchange transactions	15	548,114	264,078
Receivable from non-exchange transactions	15	276,665	308,836
Prepayments	15	293,819	415,768
Financial assets at amortized costs	20	241,643	3,439,303
Cash and cash equivalents	16	4,217,417	1,572,931
<b>Total current assets</b>		<b>5,577,658</b>	6,000,916
<b>TOTAL ASSETS</b>		<b>7,346,246</b>	8,020,608
<b>FUNDS AND RESERVES</b>			
Special funds	10	4,225,799	4,217,196
Accumulated Surplus		2,276,466	2,582,635
<b>Total funds and reserves</b>		<b>6,502,265</b>	6,799,831
<b>Non-current liabilities</b>			
Capital grants	11	278,038	427,646
<b>Current liabilities</b>			
Payables and accrued charges	18	565,943	793,131
<b>Total current liabilities</b>		<b>565,943</b>	793,131
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,346,246</b>	8,020,608

STATEMENT OF FINANCIAL POSITION

The financial statements on pages 13 to 42 were approved for issue by the Board of Directors on 18/12/2017 and were signed on its behalf by:



DIRECTOR



DIRECTOR

STATEMENT OF CHANGE IN NET ASSETS

	Special funds	Accumulated surplus	Total
	TShs'000	TShs'000	TShs'000
<b>Year ended 30 June 2017</b>			
At 1 July, 2016	4,217,196	2,582,635	6,799,831
Surplus for the year	-	82,116	82,116
Deposit for license	1,500	-	1,500
Transfer to Government	-	(388,285)	(388,285)
Interest income	7,103	-	7,103
<b>At 30 June, 2017</b>	<b>4,225,799</b>	<b>2,276,466</b>	<b>6,502,265</b>

<b>Year ended 30 June 2016</b>			
At 1 July, 2015	2,677,537	2,159,165	4,836,702
Reallocation of funds for office building	1,500,000	(1,500,000)	-
Surplus for the year	-	1,923,470	1,923,470
Deposit for license	1,200	-	1,200
Interest income (Note 10)	38,459	-	38,459
<b>At 30 June, 2016</b>	<b>4,217,196</b>	<b>2,582,635</b>	<b>6,799,831</b>

Transfer of funds to the Government consolidated fund was made from the previous year reserves

STATEMENT OF CASH FLOWS

		2017	2016
	Notes	TShs'000	TShs'000
<b>Operating activities</b>			
Cash generated from operations	23	(374,037)	602,991
Interest received		200,185	36,858
Net cash (outflow)/inflow from operating activities		(173,852)	639,849
<b>Investing activities</b>			
Purchase of plant and equipment	12	(138,480)	(515,696)
Capital grant received	11	135,982	309,827
Proceeds from disposal of property and equipment		1,547	-
Purchase of intangible assets	13	(3,894)	-
Investment in fixed deposits	20	(225,947)	(4,340,403)
Maturities of fixed deposits	20	3,428,811	4,237,671
Net cash generated/(utilized) in investing activities		3,198,019	(308,601)
<b>Financing activities</b>			
Increase in special fund		8,604	39,659
Contribution to Government-Consolidated Fund		(388,285)	-
<b>Net cash flow from financing activities</b>		<b>(379,681)</b>	39,659
<b>Net increase in cash and cash equivalents</b>		<b>2,644,486</b>	370,908
<b>Movement in cash and cash equivalents</b>			
At 1 July, 2016		1,572,931	1,202,023
Increase		2,644,486	370,908
<b>At 30 June, 2017</b>	16	<b>4,217,417</b>	1,572,931

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
FOR THE YEAR ENDED 30 JUNE 2017**

Budget line item	Budget amount TShs' 000	Actual performance TShs' 000	Variance TShs' 000	Variance %
<b>Revenue</b>				
Government Subvention – Ministry of finance	-	169,650	169,650	100%
BoT subvention	742,335	675,000	(67,335)	9%
Other Income	5,559,287	3,751,013	(1,798,276)	32%
Amortization of capital grant	1,059,160	285,590	(773,570)	73%
Net gain on foreign exchange	-	21,668	21,668	100%
Gain/(Loss) on disposal of PP&E	-	1,458	1,458	100%
<b>Total income</b>	<b>7,360,782</b>	<b>4,904,379</b>	<b>(2,446,404)</b>	<b>33%</b>
<b>Expenses</b>				
Staff Costs	3,278,850	2,572,623	706,228	22%
Administrative expenses	2,862,508	1,210,867	1,651,641	58%
Market development , Cooperation & training	869,363	594,397	274,966	32%
Depreciation and amortization	-	210,081	(210,081)	100%
Other operating expenses	350,061	234,296	115,766	33%
<b>Total expenses</b>	<b>7,360,782</b>	<b>4,822,263</b>	<b>2,538,520</b>	<b>34%</b>
<b>Surplus for the year</b>	<b>-</b>	<b>82,116</b>		

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT  
FOR THE YEAR ENDED 30 JUNE 2016**

Budget line item	Budget amount TShs' 000	Actual performance TShs' 000	Variance TShs' 000	Variance %
<b>Revenue</b>				
Government Subvention – Ministry of finance	3,035,334	1,985,875	(1,049,459)	-35%
BoT subvention	674,850	675,000	150	02%
Other Income	3,027,061	3,536,991	509,930	17%
Amortization of capital grant	75,778	53,046	(22,732)	-30%
Net gain on foreign exchange	-	19,348	19,348	100%
<b>Total income</b>	<b>6,813,023</b>	<b>6,270,260</b>	<b>(542,763)</b>	<b>-8%</b>
<b>Expenses</b>				
Staff Costs	3,194,876	2,170,008	1,024,868	32%
Administrative expenses	1,955,015	1,051,724	903,291	46%
Market development , Cooperation & training	1,320,392	790,397	529,995	40%
Depreciation and amortization	-	108,782	(108,782)	-100%
Other operating expenses	342,740	225,879	116,861	34%
<b>Total expenses</b>	<b>6,813,023</b>	<b>4,346,790</b>	<b>2,466,233</b>	<b>36%</b>
<b>Surplus for the year</b>	<b>-</b>	<b>1,923,470</b>		

## NOTES

### 1 GENERAL INFORMATION

Capital Markets and Securities Authority (CMSA) is a government Agency established to promote and regulate securities business in the country. It was established under Capital Markets and Securities Act, 1994.

The address of its registered office is:

Capital Markets and Securities Authority  
6<sup>th</sup> Floor, PPF Tower  
PO Box 75713  
Dar es Salaam  
Tanzania

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (**IPSAS**). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS), rounded to the nearest thousand. The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed.

#### (b) Foreign currency translation

##### (i) Functional and presentation currency

The financial statements are presented in Tanzania Shillings (TZS), which is the Authority's functional and presentation currency as per **IPSAS 4**. Items included in the financial statements have been measured using the currency of the primary economic environment in which the Authority operates.

## NOTES ( Continued )

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (ii) Transactions and balances

Transactions in foreign currencies during the year are converted into Tanzania Shillings at rates prevailing at the transaction dates. Monetary items denominated in foreign currency are translated using the exchange rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the date of initial recognition. 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 recognized in surplus or deficit.

#### (c) Revenue recognition

The Authority recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Authority's activities as described below.

The amount is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Revenue from non-exchange transactions

##### Government subsidies and grants

Revenues from non-exchange transactions with the government are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably as per **IPSAS 23**.

Government grants are not recognized until there is reasonable assurance that the Authority will comply with the conditions attached to them and that the grants will be received. Government grants whose primary condition is that the Authority should purchase, construct or otherwise acquire non-current assets are recognized as capital grants in the statement of financial position and transferred to surplus or deficit on a systematic and rational basis over the useful lives of the related assets.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (Continued)

Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in statement of financial performance in the period in which they become receivable.

**Revenue from exchange transactions**

According to **IPSAS 9**, this include the gross inflow of economic benefits or services potential during the reporting period when those inflows result in an increase in net asset/equity, other than increases relating to contributions from owners.

**Transaction fee**

Transactions fees are recognized when the trade of securities at the Dar es Salaam Stock Exchange has been concluded. The chargeable fee is 0.14% of the transaction consideration.

**Prospectus Evaluation Fees**

Prospectus evaluation fees are recognized on receipt of a draft prospectus from a market participant wishing to list securities publicly. The amount of fee is based on a graduated scale depending on the value of the securities.

**License Fees**

License application and renewal fees are recognized on receipt of the application and when the licenses have been granted or renewed.

**Interest income**

Interest income is recognized for all interest-bearing instruments using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Assets

**(i) Classification**

Financial assets within the scope of **IPSAS 29** Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

All financial assets of the Authority are in the category of loans and receivables, based on the purpose for which the financial assets were acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Authority's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

**(ii) Recognition and measurement**

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Authority commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

**(iii) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Authority or the counter party.

**(iv) De-recognition**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has subsequently transferred all risks and rewards of ownership.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Assets (Continued)

(v) Impairment of financial assets

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in surplus or deficit. As a practical expedient, the Authority may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognised in the surplus or deficit.

(e) Financial liabilities

Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities are derecognized when extinguished.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial liabilities (Continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

(f) Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purpose of cash flow statement, cash and cash equivalents consist of cash and bank balances.

(g) Account Receivables

Account receivables are recognized initially at original invoice amount. Account receivables are measured at cost less the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate, or where more appropriate, at the interest rate that the Authority would have to pay to finance such receivables.

(h) Property and Equipment

As per **IPSAS 17** Property and equipment are initially recorded at historical cost which includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Authority 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 year in which they are incurred.

Depreciation of property and equipment is calculated using the straight line method to reduce the revalued amount of each asset to its residual value over its expected useful economic life. The useful lives, which are consistent with those applied in the previous years, are as under:-

Property and equipment classes	Useful life
Office equipment	5 years
Furniture and fittings	4 years
Motor vehicles	4 years
Computer equipment	3 years

Depreciation is charged on assets from the date when they are ready for use and ceases on the date when the asset is derecognized by the Authority.



NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property and Equipment (Continued)

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are charged to statement of comprehensive income.

(i) Leasehold Land

As per **IPSAS 13**, leases under which subtotal risks and benefits of ownership of the assets are effectively retained by lessor are classified under operating leases. Obligation incurred under operating leases are charged to the surplus or deficit in equal installments over the period of lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

Land is initially recognized at historical cost which includes expenditure that are directly attributable to the acquisition of that land, subsequently land is amortized over its lease period, and amortization charges are charged to surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are charged to statement of comprehensive income.

(j) Intangible Assets

As per **IPSAS 31**, acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs of acquiring software that is regarded as an integral part of some identifiable hardware are recognized as part of the cost of the hardware. Costs of acquiring other software are recognized as intangible assets and are amortized over their estimated useful lives.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the costs of software development, employees and an appropriate portion of relevant overheads.

Other costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Intangible Assets

Computer software costs recognized as assets are amortized over their estimated useful.

The rate of amortization of intangible assets is set at 3 years.

(k) Employees Benefits

The objective of **IPSAS 25** is to prescribe the accounting and disclosure for both short and long term employee's benefits.

**Short Term Benefits**

The cost of all short-term employee benefits such as salaries, employees entitlements to leave pay, medical aids, other contributions, etc. are recognized as expense during the period in which the employees render the related services.

**Long Term Benefits**

CMSA contributes to pension schemes in favor of all employees who fall under permanent and pensionable terms. Contributions to pension funds are recognized as an expense in the period the employees render the related services. The contributions are made to a defined contribution pension fund and are recognized as liability when employee has provided service in exchange for employees benefit to be paid in future.

(l) Special Funds

**Investors Protection Fund**

The fund is used subject to and in accordance with the Capital Markets and Securities Act, 1994 to redress an investor where the dealer is in defalcation. The fund grows by the amount dealers deposit for license annually.

**Car Loan Revolving Fund**

The fund is used to provide loans to eligible staff for purchasing vehicles. The fund grows by the amount allocated to the staff for the first time, in accordance with the CMSA Staff Regulations and interest earned from investment of the fund.

**Office Building Fund**

The fund is set for the development of the Authority's own offices. It grows as and when the Authority makes a decision to that effect depending on availability of resources.

NOTES ( Continued )

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Special funds (Continued)

**Staff Housing Loan Fund**

The fund is used to provide staff loans for construction or purchase of houses. This fund grows depending on availability of resources and interest earned from investment of the fund.

**Insurance Fund (staff housing)**

The Insurance Fund is provided to cover the housing loans provided to employees in the event of death before completion of the loan repayments. It grows by withholding a percentage of the approved loan amount as stipulated in the Staff Regulations and interest earned from investment of the fund.

**Administrative Cost Fund**

The Administrative Cost Fund caters for the administration costs related to the management of housing loans. It grows by withholding a percentage of the approved loan amount as stipulated in the Staff Regulations and interest earned from investment of the fund.

(l) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

The annual budget figures included in the financial statements are not made publicly available. These budget figures are those approved by the board of directors.

(m) Accounting for leases

As per IPSAS 13, leases under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

(n) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES ( Continued )

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with **IPSAS 3** which requires the use of certain critical accounting estimates and judgments. Such estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are addressed below.

**Property and equipment**

Critical estimates are made by the directors in determining depreciation rates for property and equipment and their residual values. The rates used are set out in Note 2 (h) above.

(b) Critical judgements

In the process of applying the Authority's accounting policies, management has made judgments in determining whether assets are impaired. None of the assets was determined to be impaired.

NOTES ( Continued )

4	REVENUE FROM NON - EXCHANGE TRANSACTIONS	2017	2016
		TShs '000	TShs '000
	<b>Government subvention</b>		
	Ministry of Finance	169,650	1,985,875
	Bank of Tanzania	675,000	675,000
		844,650	2,660,875
	<b>Grant income</b>		
	Utilization of Capital grants	285,590	53,046
	<b>Other non-exchange transactions</b>		
	Market Development Levy	118,634	33,866
	Fine, Penalty and Miscellaneous receipt	27,575	52,988
		146,209	86,854
		1,276,449	2,800,775
5	<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
	<b>Fees</b>		
	Transaction fees	1,193,981	2,094,217
	License Fees	650,415	267,360
	Prospectus Evaluation Fees	1,451,175	810,331
	Consultancy /Training Fees	103,842	87,875
		3,399,413	3,259,783
	<b>Other income</b>		
	Interest on Fixed Deposits	205,389	190,354
		3,604,802	3,450,137
6	<b>STAFF COSTS</b>	<b>2017</b>	<b>2016</b>
		TShs '000	TShs '000
	Personnel emoluments	2,080,902	1,782,404
	Pension contributions	243,224	204,561
	Staff medical expenses	99,530	56,659
	Auxiliary staff uniforms	1,824	2,439
	Leave passage	138,825	95,850
	Recruitment expenses	1,905	28,095
	Workers Compensation Contribution Expenses	6,413	-
		2,572,623	2,170,008

NOTES ( Continued )

7	ADMINISTRATIVE EXPENSES	2017	2016
		TShs '000	TShs '000
	Office Refreshment and Cleaning	18,322	20,755
	Advertising Expenses	9,516	2,533
	Office Rent	450,339	447,215
	Printing and Stationery	34,632	37,748
	Staff Furniture	30,656	72,328
	Telephones, Telegrams and Postage	102,048	65,078
	Electricity and Water	73,186	90,672
	Business Promotion	40,211	25,739
	Office Equip. Maintenance & Repair	23,891	37,066
	Motor Vehicle Maintenance & Repair	52,814	41,916
	Membership Subscriptions	3,999	8,609
	Bank Charges	6,364	6,255
	Security Expenses	10,065	7,200
	Miscellaneous Expenses	17,886	23,753
	Insurance	28,914	8,868
	Fuel & Other Transport Expenses	142,094	129,808
	Library Acquisitions	17,590	15,286
	Tender Board Expenses	5,850	10,895
	TMX founding costs	142,490	-
		1,210,867	1,051,724
8	<b>MARKET DEVELOPMENT, COOPERATION AND TRAINING</b>	<b>2017</b>	<b>2016</b>
		TShs '000	TShs '000
	IOSCO & Its Committees Expenses	88,154	59,706
	Capacity Building & Training	288,336	185,228
	Public Education Program	83,604	376,011
	Regional cooperation Expenses	90,710	110,416
	FSP Local contributions	8,461	21,204
	Listing & Prospectus Evaluation Expenses	6,315	10,900
	Regulatory Framework Review & Development	28,817	26,932
		594,397	790,397
9	<b>OTHER EXPENSES</b>		
	Audit Fees and Expenses	44,720	40,248
	Directors Fees	97,721	8,889
	Board Expenses	91,852	176,742
		234,293	225,879
10	<b>SPECIAL FUND</b>		
	Investors' protection fund	19,264	16,820
	Car loan revolving fund	255,233	253,786
	Office building fund	3,660,855	3,660,855
	Housing loan fund	251,508	250,284
	Administrative costs fund - Staff housing loan	10,053	8,382
	Insurance fund (Staff housing loan)	28,886	27,069
		4,225,799	4,217,196

The increase in special funds arises from interest on investment of the funds and deposit license fee received during the year.

11

CAPITAL GRANT	FIDP II GRANT							Unutilised funds TShs' 000	Total TShs' 000
	Computer equipment TShs' 000	Computer software TShs' 000	Motor vehicles TShs' 000	Office Equipment TShs' 0000	Office Furniture TShs' 000	Subtotal TShs' 000			
<b>Year ended 30 June 2017</b>									
<b>Cost</b>									
At start of the year	465,772	345,405	309,827	-	-	1,121,004	170,855	1,291,859	
Additions	60,439	-	-	16,243	59,301	135,982	-	135,982	
<b>At end of the year</b>	<b>526,211</b>	<b>345,405</b>	<b>309,827</b>	<b>16,243</b>	<b>59,301</b>	<b>1,256,986</b>	<b>170,855</b>	<b>1,427,841</b>	
<b>Accumulated amortization</b>									
At start of the year	465,766	345,401	53,047	-	-	864,213	-	864,213	
Charge for the year	20,089	-	77,227	3,285	14,990	115,590	170,000	285,590	
<b>At end of the year</b>	<b>485,855</b>	<b>345,401</b>	<b>130,273</b>	<b>3,285</b>	<b>14,990</b>	<b>979,803</b>	<b>170,000</b>	<b>1,149,803</b>	
<b>Net book amount</b>	<b>40,356</b>	<b>4</b>	<b>179,553</b>	<b>12,958</b>	<b>44,311</b>	<b>277,183</b>	<b>855</b>	<b>278,038</b>	
<b>Year ended 30 June 2016</b>									
<b>Cost</b>									
At start and end of the year	465,772	345,405	-	-	-	811,177	170,855	982,032	
Additions	-	-	309,827	-	-	309,827	-	309,827	
<b>At end of the year</b>	<b>465,772</b>	<b>345,405</b>	<b>309,827</b>	<b>-</b>	<b>-</b>	<b>1,121,004</b>	<b>170,855</b>	<b>1,291,859</b>	
<b>Accumulated amortization</b>									
At start of year	465,766	345,401	-	-	-	811,167	-	811,167	
Charge for the year	-	-	53,046	-	-	53,046	-	53,046	
<b>At end of year</b>	<b>465,766</b>	<b>345,401</b>	<b>53,046</b>	<b>-</b>	<b>-</b>	<b>864,213</b>	<b>-</b>	<b>864,213</b>	
<b>Net book amount</b>	<b>6</b>	<b>4</b>	<b>256,781</b>	<b>-</b>	<b>-</b>	<b>256,791</b>	<b>170,855</b>	<b>427,646</b>	

12

PROPERTY AND EQUIPMENT	Office equipment TShs' 000	Furniture and fittings TShs' 000	Motor vehicles TShs' 000	Computer equipment TShs' 000	Total TShs' 000
<b>Year ended 30 June 2017</b>					
<b>Cost</b>					
At start of the year	107,276	90,913	483,116	627,028	1,308,333
Additions	18,485	59,556	-	60,439	138,480
Disposals	(536)	(40,406)	-	(1,025)	(41,967)
<b>At end of the year</b>	<b>125,225</b>	<b>110,063</b>	<b>483,116</b>	<b>686,442</b>	<b>1,404,846</b>
<b>Accumulated depreciation</b>					
At start of the year	105,875	90,823	67,487	601,353	865,538
Depreciation on disposals	(529)	(40,366)	-	(984)	(41,879)
Charge for the year	4,466	20,428	120,585	33,396	178,875
<b>At end of the year</b>	<b>109,812</b>	<b>70,885</b>	<b>188,072</b>	<b>633,765</b>	<b>1,002,534</b>
<b>Net book value</b>	<b>15,413</b>	<b>39,178</b>	<b>295,044</b>	<b>52,677</b>	<b>402,312</b>

12

PROPERTY AND EQUIPMENT (CONTINUED)	Office equipment TShs' 000	Furniture and fittings TShs' 000	Motor vehicles TShs' 000	Computer equipment TShs' 000	Total TShs' 000
<b>Year ended 30 June 2016</b>					
<b>Cost</b>					
At start of the year	104,057	90,913	-	597,667	792,637
Additions	3,220	-	483,116	29,360	515,696
<b>At end of the year</b>	<b>107,277</b>	<b>90,913</b>	<b>483,116</b>	<b>627,028</b>	<b>1,308,333</b>
<b>Accumulated depreciation</b>					
At start of the year	101,073	90,823	-	596,066	787,962
Charge for the year	4,802	-	67,487	5,287	77,576
<b>At end of the year</b>	<b>105,875</b>	<b>90,823</b>	<b>67,487</b>	<b>601,353</b>	<b>865,538</b>
<b>Net book value</b>	<b>1,402</b>	<b>90</b>	<b>415,629</b>	<b>25,674</b>	<b>442,795</b>

13

INTANGIBLE ASSETS	Document Management System TShs' 000	Human Resource Management System TShs' 000	Website TShs' 000	Other Software TShs' 000	Total TShs' 000
<b>Year ended 30 June 2017</b>					
<b>Cost</b>					
At start of the year	201,312	50,466	52,030	62,267	366,075
Additions	-	-	-	3,894	3,894
<b>End of year</b>	<b>201,312</b>	<b>50,466</b>	<b>52,030</b>	<b>66,161</b>	<b>369,969</b>
<b>Accumulated amortization</b>					
At start of the year	201,311	50,465	52,029	55,362	352,284
Charge for the year	-	-	-	6,883	6,883
<b>End of the year</b>	<b>201,311</b>	<b>50,465</b>	<b>52,029</b>	<b>62,246</b>	<b>366,050</b>
<b>Net book value</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3,916</b>	<b>3,919</b>
<b>Year ended 30 June 2016</b>					
<b>Cost</b>					
At start of the year	201,312	50,466	52,030	62,267	366,075
Additions	-	-	-	-	-
<b>End of year</b>	<b>201,312</b>	<b>50,466</b>	<b>52,030</b>	<b>62,267</b>	<b>366,075</b>
<b>Accumulated amortization</b>					
At start of the year	201,311	50,465	52,029	48,479	352,284
Charge for the year	-	-	-	6,883	6,883
<b>End of the year</b>	<b>201,311</b>	<b>50,465</b>	<b>52,029</b>	<b>55,362</b>	<b>359,167</b>
<b>Net book value</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6,905</b>	<b>6,908</b>

NOTES ( Continued )

14	LEASEHOLD LAND	2017 TShs' 000	2016 TShs' 000
	<b>Cost</b>	<b>1,240,461</b>	1,240,461
	<b>Accumulated amortization</b>		
	At start of the year	<b>(48,644)</b>	(24,322)
	Charge for the year	<b>(24,324)</b>	(24,323)
	<b>End of the year</b>	<b>(72,968)</b>	(48,644)
	<b>Net book value</b>	<b>1,167,493</b>	1,191,816

The Authority owns a land property located at Plot no 14 Ursino Estate Kinondoni, Dar es Salaam for the purpose of constructing its own office. If this land was to be measured at fair value, its fair value as per valuation report issued by the Chief Government valuer as at 30 August 2014 would be Tshs 2.1 Billion.

15	ACCOUNT RECEIVABLES	2017 TShs' 000	2016 TShs' 000
	<b>Non-current</b>	<b>177,607</b>	360,916
	Staff loans	<b>17,257</b>	17,257
	Office rent deposit	<b>194,864</b>	378,173
	<b>Current</b>		
	Receivable from brokers	<b>250,917</b>	395,374
	Receivable from Ministry of Finance	<b>297,197</b>	-
	Sundry receivable	<b>166,498</b>	81,992
	Staff loans	<b>110,167</b>	95,548
		<b>824,779</b>	572,914
	<b>Prepayments</b>	<b>293,819</b>	415,768
	<b>Total receivables and prepayments</b>	<b>1,313,462</b>	1,366,855
	Classified as		
	<b>Non-current</b>		
	Receivables from non-exchange transactions	<b>194,864</b>	378,173
	<b>Current</b>		
	Receivables from exchange transactions	<b>548,114</b>	264,078
	Receivables from non-exchange transactions	<b>276,665</b>	308,836
	Prepayments	<b>293,819</b>	415,768
		<b>1,313,462</b>	1,366,855

NOTES ( Continued )

16	CASH AND CASH EQUIVALENTS	2017 TShs' 000	2016 TShs' 000
	CRDB account	<b>16,303</b>	41,840
	Housing loan account	<b>173,563</b>	30,355
	NMB account	<b>43,261</b>	346,144
	CRDB-EGM Revolving a/c	<b>27,011</b>	441,200
	BoT Account TZS	<b>3,332,844</b>	500,600
	BoT Account USD	<b>477,096</b>	53,939
	NBC account and petty cash	<b>147,339</b>	158,853
		<b>4,217,417</b>	1,572,931

17	DEFERRED INCOME		
	At start of year	-	874,481
	Subvention from Government	-	1,786,394
	Transfer to income – Subvention (Note 4)	-	(2,660,875)
	At end of year	-	-

18	PAYABLES AND ACCRUED CHARGES		
	Accrual charges	<b>783</b>	-
	Provision for directors fees	-	9,837
	Provision for audit fees	<b>35,000</b>	30,000
	*FSDT payable	<b>448,248</b>	435,800
	Other payables	<b>81,913</b>	317,494
		<b>565,943</b>	793,131

\*These are funds amounting to USD 200,000 received from Financial Sector Deepening Trust Tanzania (FSDT) to set up an Enterprise Growth Market (EGM) Revolving Fund. The aim of the fund is to provide capital to start up entities. Management has classified this amount as payable since the Authority has not started issuing start-up costs to the beneficiaries of this grant as stipulated in the agreement.

NOTES ( Continued )

**19 TAXATION**

No provision for corporation tax has been made in the financial statements as CMSA depends on subventions from the Government of Tanzania and the Bank of Tanzania for its operations.

**20 FINANCIAL ASSETS AT AMORTISED COSTS**

Financial assets comprise fixed deposits with original maturity over 91 days:

	<b>2017</b> TShs'000	2016 TShs'000
At start of the year	<b>3,439,303</b>	3,183,075
Additions	<b>225,947</b>	4,340,403
Maturities	<b>(3,428,811)</b>	(4,237,671)
Accrued interest	<b>5,204</b>	153,496
At the end of the year	<b>241,643</b>	3,439,303

**21 RELATED PARTY TRANSACTIONS**

**(a) Key management compensation**

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly, including directors of the Authority. The compensation paid or payable to key management for employee services is as follows:

	<b>2017</b> TShs'000	2016 TSH'000
Salaries and other short term benefits	<b>632,450</b>	765,950
Defined contribution plan	<b>75,469</b>	73,170
	<b>707,919</b>	839,120

**(b) Balances with key management**

Outstanding balance of loans advanced to key management personnel was TShs 81 million (2016: TShs 217 million).

NOTES ( Continued )

**21 RELATED PARTY TRANSACTIONS (CONTINUED)**

**(c) Director's fees**

Director's fees of TShs 97 million (2016: TShs 8 million) were paid to non-executive directors of the Authority during the year.

**22 FINANCIAL RISK MANAGEMENT, IPSAS 30**

The Authority manages the risks it is exposed to as follows:

**Credit risk**

The maximum exposure to credit risk is the carrying amount of receivables as disclosed in Note 15 (after adjusting for the office rent deposit and prepayments), cash and cash equivalents disclosed in Note 16 and financial assets disclosed in Note 20. There are no significant concentrations of credit risks within receivables. There are no amounts relating to credit risk that are overdue, overdue but not impaired or individually determined to be impaired. No collateral is held for any of the financial assets.

Credit risk relating to cash and cash equivalents is managed through dealings with reputable banks. Credit risk relating to staff housing and loans is managed as follows:

- (a) CMSA withholds from the employee 4% of the housing loan advanced to cover a possible loss in the event of death.
- (b) CMSA has access to the terminal benefits of the employee in the event the employee services come to an end.

**Liquidity Risk**

This is the risk that funds will not be available to honor cash obligations as they arise. A significant portion of the Authority's activities is funded by through government grants based the capital and revenue budget of the Authority. The Authority will not undertake activities for which no funds are available. The financial liabilities of the Authority are payable within 12 months of the year end.

NOTES ( Continued )

22 FINANCIAL RISK MANAGEMENT, IPSAS 30 (CONTINUED)

Foreign exchange risk

This is the risk that CMSA will suffer exchange rate loss as a result of services contracts being agreed in foreign currency. At 30 June 2017, if the functional currency had strengthened/weakened by 10% against the USD with all other variables

held constant, Surplus for the year would have been TShs 43 million (2016: TShs 131 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD denominated financial assets and liabilities. The exposure to foreign currencies is minimal.

<b>CASH GENERATED FROM OPERATIONS</b>		
<b>Reconciliation of Net Cash Flows from Operating activities to surplus/deficit:</b>	<b>2017</b> Tshs'000	<b>2016</b> Tshs'000
Surplus/(deficit) for the year	<b>82,116</b>	1,923,470
Adjustments for:		
Amortization of capital grant (Note 5)	<b>(285,590)</b>	(53,047)
Interest income	<b>(205,389)</b>	(190,355)
Depreciation and amortization	<b>210,081</b>	108,783
Gain from disposal of assets	<b>(1,458)</b>	-
Changes in working capital:		
- Account receivables	<b>53,390</b>	(509,887)
- Deferred income	-	(874,481)
- Payables and accruals	<b>(227,187)</b>	198,508
	<b>(173,797)</b>	(1,185,860)
Cash generated from operations	<b>(374,037)</b>	602,991

24 FINANCIAL INSTRUMENTS BY CATEGORY

<b>Assets</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents	<b>4,217,417</b>	1,572,930
Accounts receivables (excluding prepayments)	<b>1,029,643</b>	951,087
Financial assets at amortized costs	<b>241,643</b>	3,439,302
	<b>5,488,703</b>	5,963,319

NOTES ( Continued )

<b>26</b>	<b>COMMITMENTS</b>	<b>2017</b> TShs' 000	<b>2016</b> TShs' 000
	<b>Liabilities</b>		
	<b>Liabilities at amortized costs</b>		
	Payables and accrued charges	<b>565,943</b>	793,131

25 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2017 (2016: Nil).

26 COMMITMENTS

There were no Capital commitment as at 30 June 2017 (2016: Nil). There are no non-cancellable leases.

27 EVENTS AFTER THE REPORTING DATE

There is no known event that has impacted on the results for the year and the statement of financial position of the authority after the reporting date.



## 9.0. APPENDICES

### 9.1. Regulatory Functions of CMSA

Generally, the CMSA is charged with the functions or duties to promote and maintain efficient, fair, transparent, safe and stable capital markets for the benefit and protection of investors. The CMSA therefore regulates the capital market, establishes standards for investor protection, enforcement mechanisms, transparency and disclosures, resolution regimes and business conduct to enable mitigation and management risks against erosion of market trust.

In discharging its duties, the CMSA regularly –

- (a) review whether its current regulatory requirements and framework adequately addresses risks posed to investor protection and to fair efficient and transparent markets as well as to the reduction of systemic risks;
- (b) monitors, regulates and maintains surveillance over the operations of the regulated persons and regulated activities;
- (c) conducts public education programmes, to ensure the understanding by the public of capital markets of the benefits, risks and liabilities associated with investing in the capital markets and trading in securities;
- (d) inquires into the affairs of, conduct routine or ad hoc inspections of the documents, reports and records of any licensed, regulated person or any public company, securities exchange or issuer of securities;
- (e) advises the Minister on all matters relating to the capital market industry; licence or approve, as the case may be, the regulated persons and regulated activities with a view to maintaining proper standards of conduct and professionalism in the capital markets;
- (f) formulates principles for the guidance of the capital market industry;
- (g) regulate and approve offers of securities;
- (h) monitors and supervises unlisted public companies;
- (i) liaise effectively with regulators and supervisors of other financial institutions locally or overseas including entering into Memoranda of understanding or agreements on matters of common interest.

In the execution of its functions, the CMSA has powers to –

- (a) call for information, documents or reports from licensed or regulated persons;
- (b) inspect, conduct inquiries and audit of exchanges, and licenced or regulated persons;
- (c) call for, or furnish to any person or agency, such information as may be considered necessary by it for the efficient discharge of its functions;

- (d) conduct investigations where it believes there is a violation of the law or where a transaction in securities is dealt with in a manner that is detrimental to the investors or the capital market;
- (e) intervene in the management and control of a regulated person or capital market intermediaries which it considers has failed, is failing or in crisis including entering into the premises and doing such act and things as the board deems necessary for the protection of investors;
- (f) Undertake such other powers including powers of supervision and enforcement conferred upon it under the Act including supervision and enforcement.

### 9.2. Committees of the Authority

The following is the composition of the Committees which served the Authority during the period under review:

#### THE CORPORATE APPROVALS AND LICENSING COMMITTEE

- |    |                              |   |          |
|----|------------------------------|---|----------|
| 1. | Ms. Susana B. Mkapa          | - | Chairman |
| 2. | Dr. Severine Kessy           | - | Member   |
| 3. | Frank Kanyus                 | - | Member   |
| 4. | Chief Executive Officer CMSA | - | Member   |

#### RULES AND REGULATIONS COMMITTEE

- |    |                              |   |          |
|----|------------------------------|---|----------|
| 1. | Hon. George Masaju           | - | Chairman |
| 2. | Ms. Suzana B. Mkapa          | - | Member   |
| 3. | Geofrey Msella               | - | Member   |
| 4. | Chief Executive Officer CMSA | - | Member   |

#### HUMAN RESOURCE COMMITTEE

- |    |                              |   |          |
|----|------------------------------|---|----------|
| 1. | Prof. Benno Ndulu            | - | Chairman |
| 2. | Geofrey M. Msella            | - | Member   |
| 3. | Juma A. Hafidh               | - | Member   |
| 4. | Chief Executive Officer CMSA | - | Member   |

#### AUDIT AND RISK COMMITTEE

- |    |                              |   |          |
|----|------------------------------|---|----------|
| 1. | Mr. Gabriel Mwero            | - | Chairman |
| 2. | Geofrey M. Msella            | - | Member   |
| 3. | Juma A. Hafidh               | - | Member   |
| 4. | Chief Executive Officer CMSA | - | Member   |

### 9.3. Principle Legislation

#### a) The Capital Markets and Securities Act [PRINCIPAL LEGISLATION] Acts No.5 of 1994;

An Act to establish a Capital Markets and Securities Authority for the purposes of promoting and facilitating the development of an orderly, fair and efficient capital market and securities industry in Tanzania, to make provisions with respect to licensing of stock exchanges, stockbrokers and other persons dealing in securities, and for connected purposes.

#### Capital Markets and Securities Amendment Act, 2010.

An Amendment to the Act establishing the Capital Markets and Securities Authority

#### b) The Commodity Exchanges Act, 2015

The Act provides a legal framework for sound management of commodity exchanges, ensuring the proper management of the business persons by empowering the CMSA to supervise and regulate commodity exchanges in Tanzania.

### 9.4. Capital Markets and Securities Regulations and Guidelines

#### a) The Capital Markets and Securities (Licencing) Regulations 1996

These regulations set out the procedures to be complied with by the applicants for licensing e.g. dealers, investment advisers or their representatives. The requisite application forms are prescribed in the Regulations. General conditions relating to licenses once obtained are also provided for, including the provision that the license shall be personal to the applicant and the requirement for a license to inform the Authority (by written notice) of any relevant alterations or occurrence.

#### b) The Capital Markets and Securities (Registers of Interests in Securities) Regulations 1996

Certain market players are required by the Act to maintain a register in the prescribed form of the securities in which he has an interest. These regulations therefore include the prescribed form as well as a provision for varying of the form of register by the Authority where necessary. The registers of interests in securities will enable transactions to be easily traceable by the Authority and other interested parties thus providing the requisite transparency in securities transactions.

#### c) Capital Markets and Securities (Establishment of Stock Exchange) Regulations 1996

These regulations make provision for procedures for the establishment of the stock exchange as well as an interim stock trading facility. In the case of a Stock Exchange, the application has to be made by a body corporate while interim stock trading facility is not a body corporate (it only provides an interim mechanism for trading).

Applications are to be made to the Authority which grants approval subject to certain conditions, and will continue to regulate the stock exchange once it is approved.

#### d) The Capital Markets and Securities (Financial and Accounting Requirements) Regulations 1997

These regulations provide for the maintenance of accounting records (including audit trail) preparation of the annual financial statements as well as treatment of customer money in accordance with the law (i.e. in trust for the client).

These Regulations supplement the provisions on accounts and audit which are contained in the Capital Markets and Securities Act.

#### e) The Capital Markets and Securities (Advertisements) Regulations 1997

These Regulations relate to the vetting of securities advertisements by the Authority and it provides for a number of conditions that have to be met by advertisers in the securities business. Conditions include the requirement for the content and presentation of the advertisement that the advertisements have to be factual, that comparison or contrasting of investment should not be done unless it is fair, as well as restrictions on forecasts and references to taxation.

#### f) The Capital Markets and Securities (Collective Investment Schemes) Regulations 1997

To supplement the Capital Markets and Securities Act, these regulations make detailed provisions relating to the roles of managers, trustees, schemes, trust deeds, pricing, issue and redemption of units/shares and other relevant matters.

#### g) Capital Markets and Securities (Prospectus Requirements) Regulations 1997

These regulations supplement the general provisions on public issues of securities which are contained in the Capital Markets and Securities Act. The prospectus is an important document since the issuance of a prospectus is a prerequisite where a public offer is being made. The items required to be included in the prospectus are listed in the Regulations. These include matters to be stated in the first page of the prospectus. Others include information

on the rights of holders, information on bankers, capital from issuer, debt of issuing any material contracts, the use of the proceeds from the issue etc.

**h) The Capital Market and Securities (Conduct of Business) Regulations 1997**

The Conduct of Business Regulations list rules on conduct including inducements, churning, customer rights, confidentiality, changes, execution in addition to the conduct of business regulations covered in the Capital Markets and Securities Act.

**i) The Capital Markets and Securities (Capitalization and Rights Issue) Regulations 2000**

The Capitalization and Rights Issue regulations set out the disclosure requirements that an issuer is obliged to comply with during Capitalization of when making Rights Issue. This has to be done after obtaining the approval of the Authority.

**j) The Capital Markets and Securities (Foreign Investors) Regulations 2003**

These Regulations set out the limit of aggregate securities to be held by foreign investors whereby 40percent is reserved for Tanzanians and 60percent for foreigners. However Tanzanians are not precluded from participating in the 60percent in which foreigners are allowed to participate. This means that the 60percent is a free float. The Regulations provide for the conditions and manner in which foreign investors will participate in the capital markets and more specifically at the DSE. It also focuses on the mechanism by which the Authority can monitor observance of the conditions set for foreign participation by the DSE and the Central Depository System.

**k) Capital Markets and Securities (Foreign Companies Public Offers Eligibility and Cross Listing Requirements) Regulations 2003**

These Regulations focus on participation in the capital markets by foreign issues of securities. The regulations set out the eligibility criteria and disclosure requirements for such companies to make public offers or cross list at the DSE. For the time being the foreign investors envisaged in the Regulations are those from Kenya and Uganda.

**l) Guidelines for the Issuance of Corporate Bonds and Commercial Paper, 1999**

These Guidelines set out the disclosure requirements that an issuer is obliged to comply with when applying for issuance of a Corporate Bond or a Commercial Paper.

**m) Capital Markets and Securities (Corporate Governance) Guidance, 2002**

These Guidelines aim at improving and strengthening corporate governance practices by issuers of securities through the capital markets and promote the

standards of self-regulation so as to raise the level of governance in line with international trends.

The Guidelines have been issued in view of the role that good governance has in corporate performance, capital formation and maximization of shareholders value in addition to protection of investors' rights.

The Guidelines apply to public listed companies and any other issuers of securities through the capital markets including issuers of debt instruments.

**n) Capital Markets and Securities (Conflict of Interest) Guidelines, 2002**

The Guidelines aim at giving members of the Authority and employees of the CMSA a framework within which to deal with conflicts of interest and other related matters. They are also intended to protect members of the authority and employees of the CMSA against any suggestions that regulatory decisions have been influenced by personal interests or that their investment decisions are made by using insider information.

**o) Capital Markets and Securities Authority Enforcement Guidelines, 2004**

These Guidelines set out the practices and procedures to be followed by the CMSA when conducting investigations or inquiries where there is breach of the law by market participants or otherwise.

**p) Capital Markets and Securities Authority (Electronic Trading) Guidelines 2015**

These Guidelines sets out the condition and requirements for for persons wishing to offer securities services in Tanzania through the Mobile Phone, Internet or other electronic medium.

**q) Capital Markets and Securities (Custodian of Securities) Regulations**

These Regulations provide for the legal framework under which custodians can operate and be supervised within the capital markets. This has become more important particularly with the opening up of the capital market to foreign investors/participants.

**r) Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations 2006**

These Regulations regulate and govern mergers and acquisitions. The objective of these Regulations is to ensure that in the Tanzanian capital markets, the critical processes of mergers, acquisitions and takeovers, which significantly influence growth of enterprises, take place within an orderly legal framework and that such framework, conforms with the principles of fairness, transparency, equity and the need to protect the rights of shareholders affected by such transactions.

**s) Capital Markets and Securities Authority (Nominated Advisors) Regulations, 2010**

These Regulations are designed to regulate and govern nominated advisory companies and individuals licensed by the Authority to undertake the responsibility of preparing SME companies to list on the stock market segment which facilitates trading of securities of start-up, small and medium size companies (SMEs) by assessing the appropriateness of an applicant to be listed and advising and guiding the company on its responsibilities.

**t) Capital Markets and Securities Authority (Collective Investment Schemes) (Real Estate Investment Trusts) Rules, 2011**

These rules set out the role, responsibilities and eligibility criteria for companies seeking to operate as a Real Estate Investment Trusts. The rules are designed to protect investors when investing in income generating real estate alongside other investors in order to benefit from the inherent advantages of working as part of a group.

**u) The Capital Markets and Securities (Regional Issuance of fixed Income Securities) Regulations**

These regulations set the conditions to tap a wide pool of investors in order to raise funds for priority sectors such as infrastructure to support economic growth in East Africa. The regulations sets out the approval process, makes mandatory requirements for credit rating of the intended issuance, provide guidance to the listing process, applicable fees, share capital, applicable currency, financial statement disclosures, cash flow projections, guarantees and credit enhancement etc.

**v) The Capital Markets and Securities (Corporate Governance for Market Intermediaries) Regulations**

These guidelines are intended to strengthen corporate governance practices by market intermediaries in Tanzania and to promote the standards of self-regulation so as to bring the level of governance in line with international trends and standards.

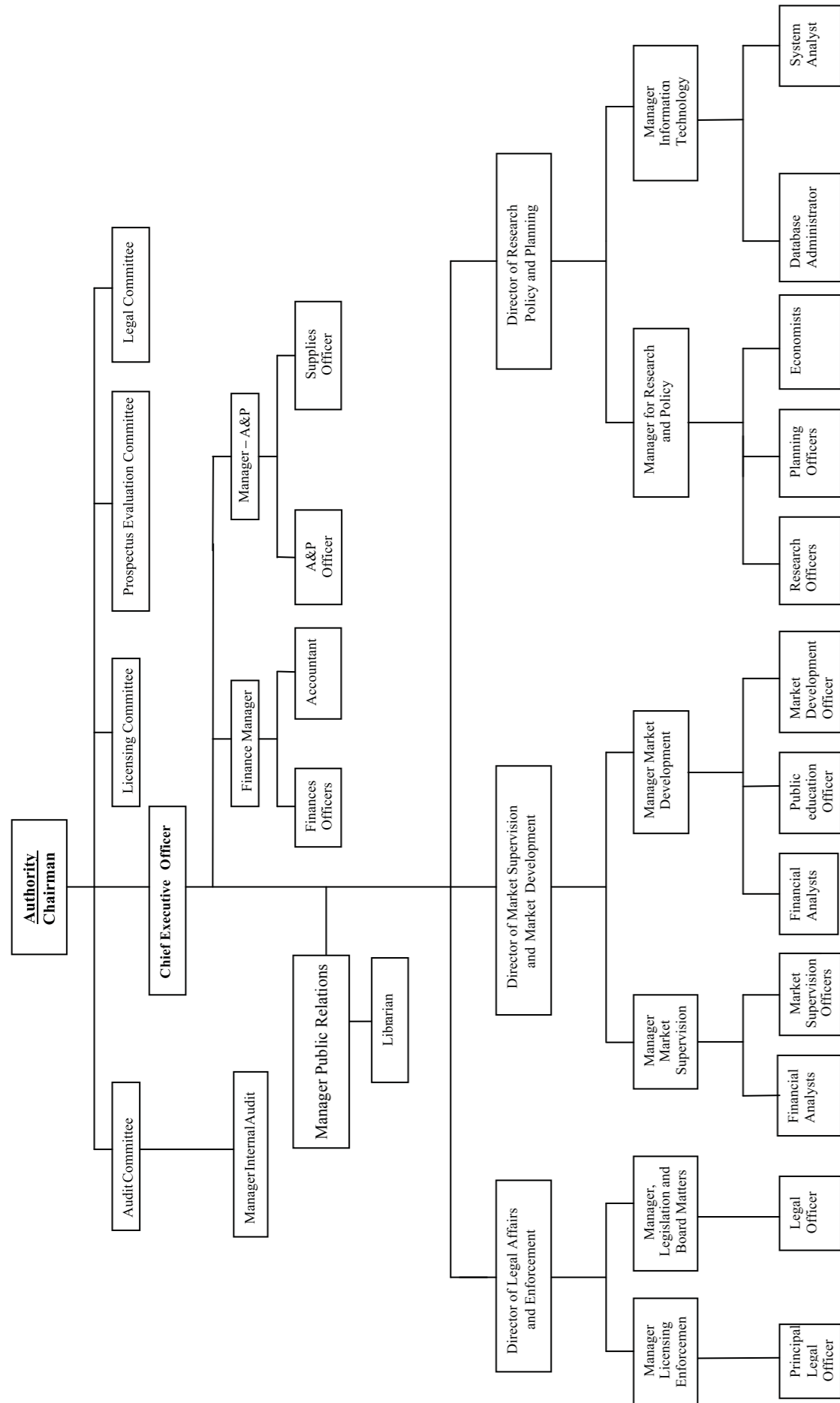
**w) Capital Markets and Securities (Book building) Regulations**

These regulations provide guidance on the process by which an issuer's underwriter attempts to determine at what price to offer an IPO based on demand from institutional investors. An underwriter "builds a book" by accepting orders from fund managers indicating the number of shares they desire and the price they are willing to pay.

**9.5. Legislations in Pipeline**

Until the end of the period under review, the new Capital Markets Act was being processed intending to repeal and replace the Capital markets and Securities Act with a view to addressing the weaknesses taking into consideration international best practices and compliance with IOSCO the objectives and principles of securities regulations including widening the scope of market intermediaries to include, securities depositories, clearing houses and credit rating agencies; opening up the capital markets intermediation to foreign investors; introducing investors compensation fund and providing for direct application of the EAC directives to Tanzania without further localization or domestication procedures.

Various regulations to complement the new capital markets will also be considered to repeal and replace the existing ones for efficient implementation of the new Act.



## 9.7. CAPITAL MARKETS AND SECURITIES AUTHORITY

### CMSA FEE TABLE

#### 1.1 Exchanges

	New fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees in TZS	5,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	1percent

#### 1.2 Central Securities Depository

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	3,000,000
Annual fees in TZS	3,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	1percent

#### 1.4 Market Development Levy

	MARKET TYPE	New Fee
Market Development Levy <sup>1</sup>	Main Investment Market And EGM	0.01percent Market Capitalization (listed companies) capped at a min of TZS 1,000,000 and max of 5,000,000
	Fixed Income Securities	0.005percent Value of Fixed Income Securities capped at a min of TZS 2,000,000 and max of TZS 50,000,000 Million

#### 1.6 Open ended Collective Investment Schemes

	New Fee
Application fees not refundable in TZS	1,000,000
Scheme Admission fee in TZS	1,000,000
Scheme Annual fees	1,000,000
Offer Memorandum Approval fee	5 Million Plus 0.3percent of the amount to be raised capped at TZS 100,000,000.

#### 1.6 Closed ended Collective Investment Schemes (Investment Management companies)

	New Fee
Application fees not refundable in TZS	1,000,000
Scheme Admission fee in TZS	5,000,000
Scheme Annual fees	5,000,000
Offer Memorandum Approval fee	5 Million Plus 0.05percent of the amount to be raised capped at TZS 100,000,000.

<sup>1</sup> Annual Development Levy for companies whose shares are listed shall be based on daily average market capitalization from January 1 to November 30 annually excluding the value of new or additional listing during the year. The Development Levy for Fixed Income Securities shall be based on the total value outstanding as on November 30.

## 2.0 Market Intermediaries

### 2.1 Broker/ Dealer – Securities Market

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees to be reviewed as market grows - in TZS	2,000,000
Replacement of license - in TZS	250,000
Annual Levy based on Gross earnings	0.5percent

### 2.2 Broker/ Dealer – Bond Traders

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees	2,000,000
Replacement of license - in TZS	250,000

### 2.3 Commodity Exchange Trading and Intermediary Members

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	2,000,000
Annual fees	2,000,000
Replacement of license - in TZS	250,000
Annual levy (By value)	0.5percent

### 2.4 Commodity Exchange Clearing Members

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000

### 2.5 Dealer Representatives

	New Fee
Application fees not refundable in TZS	500,000
Admission fee in TZS	1,000,000
Annual fees	1,000,000

## 2.6 Investment Advisors

	New Fee
Application fees non-refundable in TZS	500,000
Admission fee in TZS	3,000,000
Annual fees	3,000,000
Replacement of license - in TZS	250,000

### 2.7 Investment Advisors – Fund Managers

	New Fee
Application fees non-refundable in TZS	1,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000
Levy based on Gross earnings derived from managing High net worth individuals investment fund	0.5percent

### 2.8 EGM NOMAD

	New Fee
Application fees not refundable in TZS	1,000,000
Admission fee in TZS	3,000,000
Annual fees	3,000,000
Replacement of license - in TZS	250,000

### 2.9 EGM NOMAD AUTHORIZED REPRESENTATIVES

	New Fee
Application fees not refundable in TZS	250,000
Admission fee in TZS	
Annual fees	1,000,000

### 2.10 CSD MEMBER- CUSTODIAN

	New Fee
Application fees not refundable in TZS	2,500,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000
Replacement of license - in TZS	250,000

### 2.11 CSD MEMBER- REGISTRAR

	New Fee
Application fees not refundable in TZS	2,500,000
Admission fee in TZS	
Annual fees	2,500,000

### 3.0 TRANSACTION FEES

#### 3.1 Transaction fee - Equity

	New Fee
<b>Transaction fees</b>	
- Seller	0.14percent
- Buyer	0.14percent

#### 3.2 Transaction fee - bond

	New Fee
<b>Transaction fees</b>	
- Seller	0.005percent
- Buyer	0.005percent

#### 3.3 Transaction fee - Commodity

	New Fee
<b>Transaction fees</b>	
- Seller	0.07percent
- Buyer	0.07percent

#### 3.4 Mergers and acquisition (re-admission)

	New Fee
Application fees non-refundable in TZS	2,500,000
Approval fee equity less than 10 billion	10,000,000
Approval fee equity 10 billion and above	20,000,000

#### 3.5 Listed REIT

	New Fee
Application fee	1,000,000
Annual fee	0.15percent of value of offer of REIT Securities subject to a maximum of 20,000,000
Approval fee of Offering Memorandum	0.1125percent of value of offer of securities and a maximum of TZS 150,000,000

#### 3.6 Unlisted REIT

	New Fee
Application fee	1,000,000
Annual fee	2,000,000
Approval fee of Offering Memorandum	0.1125percent of value of offer of securities and a maximum of TZS 150,000,000maximum of TZS 150,000,000

### 4.0 PROSPECTUS EVALUATION FEES

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

#### 4.1 Main Market

#### 4.2 Enterprise Growth Market

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	15 Million plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	25 Million plus 0.05percent of the amount exceeding TZS 10 billion

#### 4.3 EAC CROSS LISTED – MAIN MARKET

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million Plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

#### 4.5 Right / Bonus Issue

Market Value Shares in TZS.	New Fee
1 billion or less	5 Million
Between 1 billion and 5 billion	5 Million Plus 0.2percent of the amount exceeding TZS 1 billion.
Between 5 billion and 10 billion	30 Million Plus 0.1percent of the amount exceeding TZS 5 billion.
More than 10 billion	50 Million plus 0.05percent of the amount exceeding TZS 10 billion

#### 4.6 Commodity Contract Approval

	New Fee
Application fees not refundable in TZS	2,000,000
Admission fee in TZS	5,000,000

#### 4.7 Data Vendors – such as Bloomberg, Reuters

	New Fee
Application fees non-refundable in TZS	2,500,000
Admission fee in TZS	7,500,000

#### 4.8 Telco – Makiba Fund Trustee License

	New Fee
Application fees non-refundable in TZS	7,000,000
Admission fee in TZS	5,000,000
Annual fees	5,000,000

#### 4.9 Credit Rating Agencies

	New Fee
Application fees non-refundable in TZS	5,000,000
Admission fee in TZS	2,500,000
Annual fees	2,500,000

### 9.8. Dar es Salaam Stock Exchange's and Central Securities Depository's Fee Structure

#### i) DSE Revised Fees

S/N	Category	Specific Fee	Current Fee	Revised Fee
1.	Annual Membership Fee		TZS 400,000	TZS 1,000,000
2.	Application for Admission to DSE Membership Fee		TZS 1,000,000	TZS 2,000,000
3.	Listing Fee Equities -MIMS		<b>Rate</b>	<b>Min</b>
		Annual Listing Fee	0.05percent	2mn
		Initial Listing Fee	0.2percent	2mn
		Additional Listing Fee	0.2percent	2mn
			<b>Rate</b>	<b>Max</b>
		Up to TZS 40 mn	625 bps or 1/16percent	25,000
		On any additional amount exceeding TZS 40 mn	312.5 bps or 1/32percent	No Limit
		On any amount	Fees are not currently charged by DSE	No Limit
4.	Transaction Fees Bonds		<b>Rate</b>	<b>Min</b>
			5,000	No Change
			25,000	No Change
			<b>Rate</b>	<b>Max</b>
			500 bps or 1/20percent	5,000
				No Limit
5.	Transaction Fees-Equities		<b>Rate</b>	<b>Min</b>
			Up to TZS 10 mn	1.7percent
			On the next TZS 40 mn	1.5percent
			On any sum above TZS 50 mn	0.8percent
			On any amount	0.28percent
		On any amount	0.02percent	
		Brokerage Commission		No Change
		DSE Transaction Fee		No Change
		Fidelity Fund Fee		No Change



## ii) DSE Newly Introduced Fees

	Category	Specific Fee	Rate
1.	Infrastructure Fee	DSE Members and other parties accessing the ATS (i.e., Institutions taking market data screen)	TZS 19,408,086 per member, per annum. LDMS will not be charged for the first 3 years of the DSE Strategic Plan (i.e., the fee will be charged beginning year 2016).
2.	ISIN Fees	Publicly issued securities (one-time fee)	TZS 300,000
		Additional/subsequent securities for companies that already have ISINs.	TZS 150,000
		Unlisted securities (one-time fee)	TZS 600,000

## ii) CSD Revised Fees

S/N	Category	Specific Fee	Current Fee	New Fee	
1.	CSD Annual Membership Fee	Custodians	TZS 500,000	TZS 2,000,000	
2.	Application for Admission	Custodians	TZS 1,000,000	No Change	
	to CSD Membership Fee		<b>MIMS</b>	<b>EGMS</b>	
3.	CDS Fee	Custody Fee	TZS 1,000	Replaced with a single standard transaction fee of TZS 1,000	
4.	CDS Fee	Consolidation Fee	TZS 1,000		
5.	CDS Fee	Reissue Fee	TZS 2,000		
6.	CSD Fee	Private Transfer Fee	TZS 1,000		
7.	CSD Fee	Mortgage and Release of Mortgage	TZS 10,000		
8.	CSD Fee	Change of LDM by CDS Account holder	TZS 2,000		TZS 2,000
9.	CSD Fee	Processing of IPO	0.5 percent of market capitalization subject to a minimum of TZS 2 million and a maximum of TZS 10 million.		0.25 percent of market capitalization subject to a minimum of TZS 1 million and a maximum of TZS 5 million.
10.	Statements Fee	Statements in paper form	TZS 5,000 per account plus postage and any certification fees.	No Change	

## iv) CSD Newly Introduced Fees

S/N	Category	Specific Fee	New Fee
1.	CSD Annual Membership Fee	Licensed Dealing Members	TZS 1,000,000
		Associate	TZS 1,000,000
		NOMAD	TZS 500,000
		Other Operators	TZS 1,000,000
		Clearing Banks	TZS 1,000,000
		Issuer-First Security	TZS 1,000,000
2.	Application for Admission to CSD Membership Fee	Issuer – subsequent Securities	TZS 100,000
		All applicants	TZS 1,000,000
3.	Transaction Fee	Standard Transaction	TZS 1,000
4.	Statements Fee	Statements by SMS	TZS 200 per SMS split 50percent between DSE and Telco.
5.	Infrastructure Fee	DSE Members and other parties accessing the CDS	TZS 2,835,597 per member per annum after the moratorium period of 3 years (i.e., the fee will be charged beginning year 2016).
6.	Custody Fees	Institutional	0.005percent of the value of assets under custody charged on a quarterly basis.

## 9.9. Listed Companies:

The following were companies listed at the Dar es Salaam Stock Exchange as of 30<sup>th</sup> September 2017.

### Domestic Listed Companies

Company	Date Listed	Number of issued Shares	Nature of Business
TOL Gases Ltd. (TOL)	15 <sup>th</sup> April, 1998	57,505,963	Production and distribution of industrial gases, welding equipment, medical gases, etc.
Tanzania Breweries Ltd. (TBL)	9 <sup>th</sup> September, 1998	294,928,463	Tanzania Breweries Limited (TBL) manufactures sells and distributes clear beer, alcoholic fruit beverages (AFB's) and non-alcoholic beverages within Tanzania. TBL has controlling interests in Tanzania Distilleries Limited (TDL) and Darbrew Limited.
TATEPA Ltd. (TATEPA)	17 <sup>th</sup> December, 1999	18,657,254	Growing, processing, blending, marketing and distribution of tea and instant.
Tanzania Cigarette Company (TCC)	16 <sup>th</sup> November, 2000	100,000,000	Manufacturing, marketing, distribution and sale of cigarettes.
Tanga Cement Public Ltd. (SIMBA/TCCL)	26 <sup>th</sup> September, 2002	63,671,045	Production, sale and marketing of cement.
Swissport Tanzania Ltd. (SWISS)	26 <sup>th</sup> September, 2003	36,000,000	Airports handling of passengers and cargo.
Tanzania Portland Cement Co. Ltd. (TWIGA/TPCC)	29 <sup>th</sup> September, 2006	179,923,100	Production, sale and marketing of cement.
DCB Commercial Bank. (DCB)	16 <sup>th</sup> September, 2008	67,827,897	Commercial bank
National Microfinance Bank Plc (NMB)	6 <sup>th</sup> November 2008	500,000,000	Commercial bank
CRDB Bank. (CRDB)	17 <sup>th</sup> June 2009	2,611,838,584	Commercial bank
Precision Air Services Plc (PAL)	21 <sup>st</sup> December 2011	160,469,800	Air transport services
Maendeleo Bank Plc	4 <sup>th</sup> November 2013	14,634,224	Commercial Bank
Swala Gas and Oil. (SWALA)	11 <sup>th</sup> August 2014	99,954,467	Mineral Exploration
Mkombozi Commercial Bank (MKCB)	29 <sup>th</sup> December 2014	20,615,272	Commercial Bank
Mwalimu Commercial Bank (MCB)	27 <sup>th</sup> November 2015	61,824,920	Commercial Bank

YETU Microfinance Plc. (YETU)	10 <sup>th</sup> March 2016	12,112,894	Microfinance PLC
MUCOBA Bank Plc	8 <sup>th</sup> June 2016	8,156,423	Commercial Bank
Dar es salaam Stock Exchange	12 <sup>th</sup> July 2016	23,824,000	Stock Exchange
Vodacom Tanzania PLC	15 <sup>th</sup> August 2017	2,240,000,300	Telecommunication Sector

### Cross-Listed Companies

Company	Date Listed	Number of issued Shares	Nature of Business
Acacia Mining PLC (ACA)	7 <sup>th</sup> December 2011	410,085,499	Mining and production of gold
East African Breweries Ltd (EABL)	29 <sup>th</sup> June 2005	658,978,630	Holding company of various companies involved in production, marketing and distribution of malt beer in Kenya, Uganda, Tanzania and Mauritius
Jubilee Holdings Ltd (JHL)	20 <sup>th</sup> December 2006	36,000,000	Holding company of many companies involved in insurance business in Kenya, Uganda and Tanzania
Kenya Airways Ltd (KA)	1 <sup>st</sup> October 2004	461,615,484	Passengers and cargo transportation to different destinations in the world
Kenya Commercial Bank (KCB)	17 <sup>th</sup> December 2008	2,217,777,777	Commercial Bank
National Media Group (NMG)	21 <sup>st</sup> February 2011	157,118,572	News media group
Uchumi Supermarket Ltd (USL)	15 <sup>th</sup> August 2014	265,426,614	Supermarket

### 9.10. Historical Subscription Levels

S/N	Company	Listing date	Offer Price per Share	Shares on Offer	Offer Value (TZS)	Amount Raised (TZS)	Level of Subscription (percent)	Subscribers
1	TOL	15/04/1998	500	7,500,000	3,750,000,000	3,598,086,000	80	10,500
2	TBL	19/09/1998	550	25,594,277	12,976,852,350	9,630,874,000	74	23,000
3	TATEPA	07/12/1999	330	1,584,912	523,020,960	571,461,000	109	2,000
4	TCC	16/11/2000	410	19,500,000	7,995,000,000	9,394,125,000	118	7,508
5	SIMBA	29/09/2002	300	20,693,090	6,207,927,000	24,210,915,300	390	14,228
6	SWISSPORT	03/06/2003	225	17,640,000	3,969,000,000	31,196,340,000	786	41,025
7	TWIGA	29/09/2006	435	53,975,900	23,479,516,500	86,419,680,855	368	18,300
8	NICOL	15/07/2008	300	50,000,000	15,000,000,000	5,601,735,000	37	2,987
9	DCB	16/09/2008	275	5,454,546	1,500,000,150	3,704,094,900	347	5,446
10	NMB	06/11/2008	600	105,000,000	63,000,000,000	224,999,340,000	357	27,303
11	CRDB	17/06/2009	150	125,429,692	32,647,982,400	82,624,366,200	439	21,282
12	PRECISION	21/12/2011	475	58,800,000	28,000,000,000	11,840,000,000	43	7,057
13	TBL (EABL Exit)	16/01/2012	2,060	58,985,693	121,510,527,580	297,593,326,800	245	2,081
14	MAENDELEO	04/11/2013	500	8,000,000	4,000,000,000	4,600,000,000	115	2,523
15	SWALA OIL	11/08/2014	500	9,600,000	4,800,000,000	6,643,900,000	138	1,867
16	MKOMBOZI	29/12/2014	1,000	5,000,000	5,000,000,000	3,776,820,000	76	2,629
17	MWALIMU	27/11/2015	500	50,000,000	25,000,000,000	30,912,460,000	124	235,494
18	YETU MICRO FINANCE PLC	10/03/2016	500	25,180,000	12,590,606,500	3,111,690,100	25	14,273
19	MUCOBA BANK PLC	08/06/2016	250	20,000,000	5,000,000,000	2,039,105,750	41	1,691
20	DSE PLC	12/07/2016	500	15,000,000	7,500,000,000	35,768,796,000	477	3,149
21	VODACOM (T) LTD	15/08/2017	850	560,000,100.00	476,000,085,000	476,000,085,000	100	41,504

### 9.11. Outstanding Government Bonds as at 30<sup>th</sup> September 2017

Bond No	ISIN	Coupon	Maturity	Description	Issued Date	Maturity Date	Issued Amount(Face Value)
319-9.18-T1-A1	TZ1996102766	9.18	5 Year Bond	GOVERNMENT BONDS	31/10/2012	31/10/2017	43,000,000,000.00
323-9.18-T43-A1	TZ1996101410	9.18	5 Year Bond	GOVERNMENT BONDS	27/12/2012	27/12/2017	6,000,000,000.00
410-7.82-T1-A1	TZ1996102269	7.82	2 Year Bond	GOVERNMENT BONDS	07/01/2016	07/01/2018	21,156,100,000.00
261-10.08-T28-A1	TZ1996100644	10.08	7 Year Bond	GOVERNMENT BONDS	12/01/2011	12/01/2018	24,900,000,000.00
327-9.18-T44-A1	TZ1996101451	9.18	5 Year Bond	GOVERNMENT BONDS	20/02/2013	20/02/2018	40,000,000,000.00
265-10.08-T29-A1	TZ1996100651	10.08	7 Year Bond	GOVERNMENT BONDS	09/03/2011	10/03/2018	28,175,100,000.00
415-7.82-T1-A1	TZ1996102319	7.82	2 Year Bond	GOVERNMENT BONDS	17/03/2016	17/03/2018	88,027,700,000.00
331-9.18-T45-A1	TZ1996101493	9.18	5 Year Bond	GOVERNMENT BONDS	17/04/2013	17/04/2018	43,330,000,000.00
269-10.08-T30-A1	TZ1996100669	10.08	7 Year Bond	GOVERNMENT BONDS	04/05/2011	04/05/2018	23,165,300,000.00
196-11.44-T17-A1	TZ1996100875	11.44	10 Year Bond	GOVERNMENT BONDS	21/05/2008	21/05/2018	23,511,200,000.00
423-7.82-T1-A1	TZ1996102386	7.82	2 Year Bond	GOVERNMENT BONDS	26/05/2016	26/05/2018	92,754,500,000.00
335-9.18-T46-A1	TZ1996101535	9.18	5 Year Bond	GOVERNMENT BONDS	12/06/2013	12/06/2018	63,282,300,000.00
273-10.08-T31-A1	TZ1996100867	10.08	7 Year Bond	GOVERNMENT BONDS	29/06/2011	29/06/2018	39,993,000,000.00
428-7.82-T1-A1	TZ1996102469	7.82	2 Year Bond	GOVERNMENT BONDS	06/08/2016	04/08/2018	26,325,300,000.00
339-9.18-T47-A1	TZ1996101576	9.18	5 Year Bond	GOVERNMENT BONDS	06/08/2013	07/08/2018	27,457,000,000.00
199-11.44-T18-A1	TZ1996100883	11.44	10 Year Bond	GOVERNMENT BONDS	13/08/2008	13/08/2018	6,161,500,000.00
350-9.18-T48-A1	TZ1996101626	9.18	5 Year Bond	GOVERNMENT BONDS	03/10/2013	02/10/2018	5,092,500,000.00
433-7.82-T1-A1	TZ1996102518	7.82	2 Year Bond	GOVERNMENT BONDS	13/10/2016	13/10/2018	95,693,400,000.00
281-10.08-T33-A1	TZ1996101121	10.08	7 Year Bond	GOVERNMENT BONDS	19/10/2011	20/10/2018	10,000,000,000.00
355-9.18-T49-A1	TZ1996101675	9.18	5 Year Bond	GOVERNMENT BONDS	12/12/2013	12/12/2018	30,900,000,000.00
438-7.82-T1-A1	TZ1996102568	7.82	2 Year Bond	GOVERNMENT BONDS	22/12/2016	22/12/2018	85,204,700,000.00
359-9.18-T50-A1	TZ1996101725	9.18	5 Year Bond	GOVERNMENT BONDS	06/02/2014	06/02/2019	63,220,000,000.00
289-10.08-T35-A1	TZ1996101238	10.08	7 Year Bond	GOVERNMENT BONDS	08/02/2012	08/02/2019	25,000,000,000.00
230-11.44-T19-A1	TZ1996100891	11.44	10 Year Bond	GOVERNMENT BONDS	11/02/2009	11/02/2019	8,497,600,000.00
443-7.82-T1-A1	TZ1996102616	7.82	2 Year Bond	GOVERNMENT BONDS	02/03/2017	02/03/2019	209,409,500,000.00

293-10.08-T36-A1	TZ1996101279	10.08	7 Year Bond	GOVERNMENT BONDS	04/04/2012	04/04/2019	24,207,900,000.00
364-9.18-T51-A1	TZ1996101774	9.18	5 Year Bond	GOVERNMENT BONDS	17/04/2014	17/04/2019	30,905,000,000.00
448-7.82-T1-A1	TZ1996102665	7.82	2 Year Bond	GOVERNMENT BONDS	11/05/2017	11/05/2019	128,822,500,000.00
297-10.08-T37-A1	TZ1996101311	10.08	7 Year Bond	GOVERNMENT BONDS	30/05/2012	30/05/2019	15,570,000,000.00
235-11.44-T20-A1	TZ1996100909	11.44	10 Year Bond	GOVERNMENT BONDS	02/07/2009	02/07/2019	31,000,000,000.00
455-7.82-T1-A1	TZ1996102806	7.82	2 Year Bond	GOVERNMENT BONDS	20/07/2017	20/07/2019	96,568,600,000.00
371-9.18-T52-A1	TZ1996101840	9.18	5 Year Bond	GOVERNMENT BONDS	24/07/2014	24/07/2019	39,412,900,000.00
312-10.08-T38-A1	TZ1996101352	10.08	7 Year Bond	GOVERNMENT BONDS	25/07/2012	25/07/2019	30,535,500,000.00
316-10.08-T39-A1	TZ1996101394	10.08	7 Year Bond	GOVERNMENT BONDS	19/09/2012	19/09/2019	43,000,000,000.00
460-7.82-T315-A1	TZ1996102871	7.82	2 Year Bond	GOVERNMENT BONDS	27/09/2017	28/09/2019	84,142,000,000.00
377-9.18-T1-A1	TZ1996101907	9.18	5 Year Bond	GOVERNMENT BONDS	02/10/2014	02/10/2019	62,000,000,000.00
320-10.08-T40-A1	TZ1996102772	10.08	7 Year Bond	GOVERNMENT BONDS	14/11/2012	14/11/2019	55,000,000,000.00
240-11.44-T21-A1	TZ1996100917	11.44	10 Year Bond	GOVERNMENT BONDS	02/12/2009	03/12/2019	26,361,600,000.00
324-10.08-T41-A1	TZ1996101428	10.08	7 Year Bond	GOVERNMENT BONDS	09/01/2013	09/01/2020	52,920,000,000.00
387-9.18-T1-A1	TZ1996102012	9.18	5 Year Bond	GOVERNMENT BONDS	19/02/2015	19/02/2020	62,106,000,000.00
328-10.08-T42-A1	TZ1996101469	10.08	7 Year Bond	GOVERNMENT BONDS	06/03/2013	06/03/2020	64,805,300,000.00
244-11.44-T22-A1	TZ1996100925	11.44	10 Year Bond	GOVERNMENT BONDS	21/04/2010	22/04/2020	30,000,100,000.00
332-10.08-T43-A1	TZ1996101501	10.08	7 Year Bond	GOVERNMENT BONDS	30/04/2013	30/04/2020	35,782,500,000.00
392-9.18-T1-A1	TZ1996102061	9.18	5 Year Bond	GOVERNMENT BONDS	30/04/2015	30/04/2020	66,445,000,000.00
247-11.44-T23-A1	TZ1996100933	11.44	10 Year Bond	GOVERNMENT BONDS	02/06/2010	02/06/2020	67,181,900,000.00
336-10.08-T44-A1	TZ1996101543	10.08	7 Year Bond	GOVERNMENT BONDS	26/06/2013	26/06/2020	8,693,000,000.00
398-9.18-T1-A1	TZ1996102145	9.18	5 Year Bond	GOVERNMENT BONDS	23/07/2015	23/07/2020	38,861,700,000.00
340-10.08-T45-A1	TZ1996101584	10.08	7 Year Bond	GOVERNMENT BONDS	23/08/2013	22/08/2020	15,067,400,000.00
252-11.44-T24-A1	TZ1996100941	11.44	10 Year Bond	GOVERNMENT BONDS	07/09/2010	07/09/2020	16,000,000,000.00
403-9.18-T1-A1	TZ1996102194	9.18	5 Year Bond	GOVERNMENT BONDS	01/10/2015	01/10/2020	30,100,000,000.00
257-11.44-T25-A1	TZ1996100958	11.44	10 Year Bond	GOVERNMENT BONDS	17/11/2010	18/11/2020	20,000,000,000.00
354-10.08-T46-A1	TZ1996101667	10.08	7 Year Bond	GOVERNMENT BONDS	28/11/2013	28/11/2020	49,000,000,000.00
408-9.18-T1-A1	TZ1996102244	9.18	5 Year Bond	GOVERNMENT BONDS	10/12/2015	10/12/2020	13,665,300,000.00
356-10.08-T47-A1	TZ1996101691	10.08	7 Year Bond	GOVERNMENT BONDS	27/12/2013	27/12/2020	14,103,100,000.00

262-11.44-T26-A1	TZ1996100966	11.44	10 Year Bond	GOVERNMENT BONDS	26/01/2011	27/01/2021	20,000,000,000.00
413-9.18-T1-A1	TZ1996102293	9.18	5 Year Bond	GOVERNMENT BONDS	23/02/2016	17/02/2021	97,572,500,000.00
361-10.08-T48-A1	TZ1996101741	10.08	7 Year Bond	GOVERNMENT BONDS	06/03/2014	06/03/2021	69,230,000,000.00
266-11.44-T27-A1	TZ1996100974	11.44	10 Year Bond	GOVERNMENT BONDS	23/03/2011	24/03/2021	38,625,000,000.00
418-9.18-T1-A1	TZ1996102360	9.18	5 Year Bond	GOVERNMENT BONDS	28/04/2016	28/04/2021	69,620,100,000.00
366-10.08-T49-A1	TZ1996101790	10.08	7 Year Bond	GOVERNMENT BONDS	15/05/2014	15/05/2021	55,500,000,000.00
270-11.44-T28-A1	TZ1996100727	11.44	10 Year Bond	GOVERNMENT BONDS	18/05/2011	19/05/2021	57,000,000,000.00
369-10.08-T50-A1	TZ1996101824	10.08	7 Year Bond	GOVERNMENT BONDS	26/06/2014	26/06/2021	10,700,000,000.00
426-9.18-T1-A1	TZ1996102426	9.18	5 Year Bond	GOVERNMENT BONDS	08/07/2016	06/07/2021	84,446,500,000.00
274-11.44-T29-A1	TZ1996100990	11.44	10 Year Bond	GOVERNMENT BONDS	13/07/2011	13/07/2021	20,000,000,000.00
375-10.08-T51-A1	TZ1996101881	10.08	7 Year Bond	GOVERNMENT BONDS	04/09/2014	04/09/2021	35,480,000,000.00
278-11.44-T30-A1	TZ1996101014	11.44	10 Year Bond	GOVERNMENT BONDS	07/09/2011	08/09/2021	30,000,000,000.00
431-9.18-T1-A1	TZ1996102493	9.18	5 Year Bond	GOVERNMENT BONDS	15/09/2016	15/09/2021	40,074,800,000.00
282-11.44-T31-A1	TZ1996101170	11.44	10 Year Bond	GOVERNMENT BONDS	02/11/2011	03/11/2021	19,840,000,000.00
380-10.08-T1-A1	TZ1996101931	10.08	7 Year Bond	GOVERNMENT BONDS	14/11/2014	14/11/2021	66,639,000,000.00
436-9.18-T1-A1	TZ1996102542	9.18	5 Year Bond	GOVERNMENT BONDS	28/11/2016	24/11/2021	60,705,500,000.00
286-11.44-T32-A1	TZ1996101204	11.44	10 Year Bond	GOVERNMENT BONDS	28/12/2011	28/12/2021	876,500,000.00
385-10.08-T1-A1	TZ1996101998	10.08	7 Year Bond	GOVERNMENT BONDS	22/01/2015	22/01/2022	60,000,000,000.00
441-9.18-T1-A1	TZ1996102590	9.18	5 Year Bond	GOVERNMENT BONDS	02/02/2017	02/02/2022	75,419,400,000.00
290-11.44-T33-A1	TZ1996101246	11.44	10 Year Bond	GOVERNMENT BONDS	22/02/2012	22/02/2022	20,000,000,000.00
390-10.08-T1-A1	TZ1996102046	10.08	7 Year Bond	GOVERNMENT BONDS	02/04/2015	02/04/2022	60,045,000,000.00
446-9.18-T1-A1	TZ1996102642	9.18	5 Year Bond	GOVERNMENT BONDS	13/04/2017	13/04/2022	105,517,700,000.00
294-11.44-T34-A1	TZ1996102792	11.44	10 Year Bond	GOVERNMENT BONDS	18/04/2012	18/04/2022	457,000,000.00
395-10.08-T1-A1	TZ1996102095	10.08	7 Year Bond	GOVERNMENT BONDS	11/06/2015	11/06/2022	43,333,000,000.00
453-9.18-T1-A1	TZ1996102696	9.18	5 Year Bond	GOVERNMENT BONDS	22/06/2017	22/06/2022	233,871,420,000.00
299-11.44-T35-A1	TZ1996101337	11.44	10 Year Bond	GOVERNMENT BONDS	27/06/2012	27/06/2022	15,000,000,000.00
313-11.44-T43-A1	TZ1996101287	11.44	10 Year Bond	GOVERNMENT BONDS	07/08/2012	07/08/2022	29,735,000,000.00
458-9.18-T69-A1	TZ1996102855	9.18	5 Year Bond	GOVERNMENT BONDS	30/08/2017	31/08/2022	58,839,100,000.00
401-10.08-T1-A1	TZ1996102178	10.08	7 Year Bond	GOVERNMENT BONDS	03/09/2015	03/09/2022	19,176,800,000.00

317-11.44-T44-A1	TZ1996102826	11.44	10 Year Bond	GOVERNMENT BONDS	03/10/2012	03/10/2022	43,000,000,000.00
406-10.08-T1-A1	TZ1996102228	10.08	7 Year Bond	GOVERNMENT BONDS	13/11/2015	12/11/2022	73,848,300,000.00
321-11.44-T45-A1	TZ1996102780	11.44	10 Year Bond	GOVERNMENT BONDS	28/11/2012	28/11/2022	55,000,000,000.00
411-10.08-T1-A1	TZ1996102277	10.08	7 Year Bond	GOVERNMENT BONDS	21/01/2016	21/01/2023	57,137,330,000.00
329-11.44-T47-A1	TZ1996101477	11.44	10 Year Bond	GOVERNMENT BONDS	20/03/2013	20/03/2023	71,370,000,000.00
416-10.08-T1-A1	TZ1996102327	10.08	7 Year Bond	GOVERNMENT BONDS	31/03/2016	31/03/2023	39,422,300,000.00
333-11.44-T48-A1	TZ1996101519	11.44	10 Year Bond	GOVERNMENT BONDS	15/05/2013	15/05/2023	44,155,000,000.00
424-10.08-T1-A1	TZ1996102394	10.08	7 Year Bond	GOVERNMENT BONDS	09/06/2016	09/06/2023	39,680,600,000.00
429-10.08-T1-A1	TZ1996102477	10.08	7 Year Bond	GOVERNMENT BONDS	20/08/2016	18/08/2023	19,422,000,000.00
348-11.44-T50-A1	TZ1996101592	11.44	10 Year Bond	GOVERNMENT BONDS	06/09/2013	05/09/2023	29,500,000,000.00
351-11.44-T51-A1	TZ1996101634	11.44	10 Year Bond	GOVERNMENT BONDS	18/10/2013	18/10/2023	41,078,000,000.00
434-10.08-T1-A1	TZ1996102526	10.08	7 Year Bond	GOVERNMENT BONDS	27/10/2016	27/10/2023	51,510,000,000.00
439-10.08-T1-A1	TZ1996102574	10.08	7 Year Bond	GOVERNMENT BONDS	12/01/2017	05/01/2024	54,635,800,000.00
358-11.44-T52-A1	TZ1996101717	11.44	10 Year Bond	GOVERNMENT BONDS	23/01/2014	23/01/2024	40,598,100,000.00
444-10.08-T1-A1	TZ1996102624	10.08	7 Year Bond	GOVERNMENT BONDS	16/03/2017	16/03/2024	83,215,900,000.00
363-11.44-T53-A1	TZ1996101808	11.44	10 Year Bond	GOVERNMENT BONDS	03/04/2014	03/04/2024	32,925,600,000.00
451-10.08-T1-A1	TZ1996102673	10.08	7 Year Bond	GOVERNMENT BONDS	01/06/2017	25/05/2024	139,227,900,000.00
367-11.44-T54-A1	TZ1996102750	11.44	10 Year Bond	GOVERNMENT BONDS	29/05/2014	29/05/2024	47,200,000,000.00
370-11.44-T1-A1	TZ1996101832	11.44	10 Year Bond	GOVERNMENT BONDS	10/07/2014	10/07/2024	45,499,000,000.00
456-10.08-T1-A1	TZ1996102830	10.08	7 Year Bond	GOVERNMENT BONDS	03/08/2017	03/08/2024	100,566,100,000.00
376-11.44-T1-A1	TZ1996101899	11.44	10 Year Bond	GOVERNMENT BONDS	18/09/2014	18/09/2024	45,000,000,000.00
461-10.08-T69-A1	TZ1996102889	10.08	7 Year Bond	GOVERNMENT BONDS	12/10/2017	12/10/2024	100,407,100,000.00
381-11.44-T1-A1	TZ1996101949	11.44	10 Year Bond	GOVERNMENT BONDS	28/11/2014	28/11/2024	20,010,000,000.00
386-11.44-T1-A1	TZ1996102004	11.44	10 Year Bond	GOVERNMENT BONDS	05/02/2015	05/02/2025	41,030,000,000.00
391-11.44-T1-A1	TZ1996102053	11.44	10 Year Bond	GOVERNMENT BONDS	16/04/2015	15/04/2025	44,980,000,000.00
396-11.44-T1-A1	TZ1996102105	11.44	10 Year Bond	GOVERNMENT BONDS	25/06/2015	25/06/2025	38,798,600,000.00
402-11.44-T1-A1	TZ1996102186	11.44	10 Year Bond	GOVERNMENT BONDS	17/09/2015	17/09/2025	20,070,000,000.00
407-11.44-T1-A1	TZ1996102236	11.44	10 Year Bond	GOVERNMENT BONDS	27/11/2015	26/11/2025	17,463,600,000.00
412-11.44-T1-A1	TZ1996102285	11.44	10 Year Bond	GOVERNMENT BONDS	04/02/2016	04/02/2026	86,566,800,000.00

417-11.44-T1-A1	TZ1996102352	11.44	10 Year Bond	GOVERNMENT BONDS	14/04/2016	14/04/2026	71,375,400,000.00
425-11.44-T1-A1	TZ1996102401	11.44	10 Year Bond	GOVERNMENT BONDS	23/06/2016	23/06/2026	47,066,900,000.00
430-11.44-T1-A1	TZ1996102485	11.44	10 Year Bond	GOVERNMENT BONDS	01/09/2016	01/09/2026	29,667,530,000.00
435-11.44-T1-A1	TZ1996102534	11.44	10 Year Bond	GOVERNMENT BONDS	10/11/2016	10/11/2026	89,566,100,000.00
440-11.44-T1-A1	TZ1996102582	11.44	10 Year Bond	GOVERNMENT BONDS	19/01/2017	19/01/2027	120,413,200,000.00
445-11.44-T1-A1	TZ1996102632	11.44	10 Year Bond	GOVERNMENT BONDS	30/03/2017	30/03/2027	92,014,800,000.00
452-11.44-T1-A1	TZ1996102681	11.44	10 Year Bond	GOVERNMENT BONDS	08/06/2017	08/06/2027	212,973,500,000.00
457-11.44-T315-A	TZ1996102848	11.44	10 Year Bond	GOVERNMENT BONDS	17/08/2017	17/08/2027	68,016,500,000.00
462-11.44-T316-A	TZ1996102897	11.44	10 Year Bond	GOVERNMENT BONDS	26/10/2017	26/10/2027	110,827,600,000.00
353-13.5-T1-A1	TZ1996101659	13.50	15 Year Bond	GOVERNMENT BONDS	14/11/2013	14/11/2028	22,967,000,000.00
360-13.5-T2-A1	TZ1996101733	13.50	15 Year Bond	GOVERNMENT BONDS	20/02/2014	20/02/2029	22,995,000,000.00
365-13.5-T3-A1	TZ1996101782	13.50	15 Year Bond	GOVERNMENT BONDS	02/05/2014	02/05/2029	30,893,000,000.00
372-13.50-T4-A1	TZ1996101857	13.50	15 Year Bond	GOVERNMENT BONDS	12/08/2014	07/08/2029	25,599,377,000.00
378-13.50-T1-A1	TZ1996101915	13.50	15 Year Bond	GOVERNMENT BONDS	17/10/2014	17/10/2029	31,875,400,000.00
388-13.50-T1-A1	TZ1996102020	13.50	15 Year Bond	GOVERNMENT BONDS	05/03/2015	05/03/2030	42,126,100,000.00
393-13.50-T1-A1	TZ1996102079	13.50	15 Year Bond	GOVERNMENT BONDS	14/05/2015	14/05/2030	65,160,200,000.00
399-13.50-T1-A1	TZ1996102152	13.50	15 Year Bond	GOVERNMENT BONDS	06/08/2015	06/08/2030	30,018,900,000.00
409-13.50-T1-A1	TZ1996102253	13.50	15 Year Bond	GOVERNMENT BONDS	23/12/2015	23/12/2030	39,424,900,000.00
414-13.50-T1-A1	TZ1996102301	13.50	15 Year Bond	GOVERNMENT BONDS	03/03/2016	04/03/2031	42,179,500,000.00
419-13.50-T1-A1	TZ1996102378	13.50	15 Year Bond	GOVERNMENT BONDS	12/05/2016	12/05/2031	80,903,000,000.00
427-13.5-T1-A1	TZ1996102451	13.50	15 Year Bond	GOVERNMENT BONDS	25/07/2016	21/07/2031	31,249,600,000.00
437-13.50-T1-A1	TZ1996102550	13.50	15 Year Bond	GOVERNMENT BONDS	08/12/2016	12/08/2031	116,413,150,000.00
432-13.50-T1-A1	TZ1996102500	13.50	15 Year Bond	GOVERNMENT BONDS	29/09/2016	29/09/2031	70,847,470,000.00
442-13.50-T1-A1	TZ1996102608	13.50	15 Year Bond	GOVERNMENT BONDS	16/02/2017	16/02/2032	104,109,600,000.00
447-13.5-T1-A1	TZ1996102657	13.50	15 Year Bond	GOVERNMENT BONDS	27/04/2017	27/04/2032	71,185,300,000.00
454-13.50-T1-A1	TZ1996102732	13.50	15 Year Bond	GOVERNMENT BONDS	06/07/2017	06/07/2032	112,114,000,000.00
459-13.50-T20-A1	TZ1996102863	13.50	15 Year Bond	GOVERNMENT BONDS	14/09/2017	14/09/2032	128,410,910,000.00
<b>Grand total</b>							<b>7,313,930,287,000.00</b>

9.12. Outstanding Corporate Bonds as at 30th September 2017

BOND NO	ISIN	COUPON	MATURITY	DESCRIPTION	ISSUED DATE	MATURITY DATE	ISSUED AMOUNT(FACE VALUE)
EXIM-2015/21.T1	TZ1996102335	15.56	6 Year Bond	Corporate Bonds	21/12/2015	21/12/2021	14,959,000,000.00
NMB-2016/19.T1	TZ1996102442	13	3 Year Bond	Corporate Bonds	13/06/2016	13/06/2019	41,406,364,000.00
PTA-FXT01/15/05	TZ1996102137	14.03	5 Year Bond	Corporate Bonds	05/07/2015	30/04/2020	32,600,000,000.00
STAN/T.2	TZ1996100289	11.44	10 Year Bond	Corporate Bonds	22/10/2010	22/10/2020	10,000,000,000.00
				<b>Grand total</b>			<b>98,965,364,000.00</b>

9.13. Performance of the Listed Companies

COMPANY	YEAR	NUMBER OF ISSUED SHARES	MARKET CAPITALIZATION (Millions)	PRE-TAX PROFIT (TZS Million)	DIVIDEND (TZS Million)
TANZANIA BREWERIES LIMITED	2002	294,928,463	330,000	34,218	25,835
	2003	294,928,463	472,000	47,635	30,790
	2004	294,928,463	395,204	57,470	36,866
	2005	294,928,463	436,000	67,182	56,036
	2006	294,928,463	442,390	85,584	52,202
	2007	294,928,463	466,000	95,603	58,986
	2008	294,928,463	536,770	109,168	58,986
	2009	294,928,463	513,176	115,188	44,239
	2010	294,928,463	525,000	133,842	44,239
	2011	294,928,463	595,755	173,183	58,986
	2012	294,928,463	884,790	239,288	58,986
	2013	294,928,463	2,359,428	253,813	88,479
	2014	294,928,463	4,155,540	292,719	132,718
	2015	294,928,463	4,096,560	308,931	151,709
	2016	294,928,463	3,539,140	228,981	183,993
	2017	294,928,463	3,952,040	161,440	103,911
	TOL GASES LIMITED	2002	32,000,000	8,319	(12,953)
2003		32,000,000	10,559	(709)	-
2004		32,000,000	10,559	4	-
2005		32,000,000	10,559	(47)	-
2006		32,000,000	9,596	102	-
2007		37,223,686	14,020	293	-
2008		37,223,686	12,320	(145)	-
2009		37,223,686	9,981	-	-
2010		37,223,686	9,981	-	-
2011		37,223,686	8,495	410	-
2012		42,472,537	11,040	1,377	-
2013		37,223,686	11,539	945	-
2014		55,835,490	30,710	2,021	-
2015		55,835,490	48,580	2,200	-
2016		55,835,490	44,670	2,761	-
2017		57,505,963	46,000	1,005	-

TANZANIA TEA PACKERS LIMITED	2002	14,408,000	8,640	447	576
	2003	15,280,000	7,203	241	611
	2004	16,430,000	6,723	1,294	-
	2005	16,430,000	6,720	(2,505)	-
	2006	16,430,000	6,720	2,255	740
	2007	17,857,165	9,110	(1,593)	1,786
	2008	17,857,165	9,110	6,077	6,518
	2009	17,857,165	8,750	(504)	-
	2010	17,857,165	8,600	292	-
	2011	17,857,165	8,482	(628)	-
	2012	17,857,165	2,679	484	-
	2013	17,857,165	11,607	(2,543)	-
	2014	18,657,254	12,130	(3,678)	-
	2015	18,657,254	12,130	(5,698)	-
	2016	18,657,254	12,130	(862)	-
	2017	18,657,254	12,130	(2,247)	-
	TANZANIA CIGARATTE COMPANY	2002	100,000,000	172,500	22,106
2003		100,000,000	172,000	24,687	21,894
2004		100,000,000	176,000	25,626	15,578
2005		100,000,000	150,000	23,767	15,578
2006		100,000,000	148,000	22,360	10,000
2007		100,000,000	134,000	33,622	17,500
2008		100,000,000	166,000	44,564	27,500
2009		100,000,000	182,000	65,978	15,000
2010		100,000,000	222,000	84,100	30,000
2011		100,000,000	314,000	101,400	60,000
2012		100,000,000	420,000	123,728	75,000
2013		100,000,000	860,000	112,137	75,000
2014		100,000,000	1,674,000	98,261	70,000
2015		100,000,000	1,208,000	97,296	65,700
2016		100,000,000	1,150,000	68,669	60,000
2017		100,000,000	1,105,000	25,789	30,000

TANGA CEMENT COMPANY LIMITED	2002	63,671,045	28,652	7,667	3,502
	2003	63,671,045	44,570	9,950	6,367
	2004	63,671,045	70,038	9,386	3,247
	2005	63,671,045	54,120	10,528	3,629
	2006	63,671,045	61,124	23,065	11,970
	2007	63,671,045	77,679	34,422	11,779
	2008	63,671,045	118,430	43,219	7,641
	2009	63,671,045	109,514	45,830	11,397
	2010	63,671,045	121,000	-	-
	2011	63,671,045	151,537	37,085	-
	2012	63,671,045	152,810	55,933	6,400
	2013	63,671,045	128,616	46,045	7,004
	2014	63,671,045	286,520	41,990	4,139
	2015	63,671,045	118,430	8,242	5,094
	2016	63,671,045	101,870	4,262	5,094
	2017	63,671,045	86,590	(14,608)	1,590
	NATIONAL INVESTMENT COMPANY LTD	2004	-	-	(32)
2005		-	-	141	-
2006		-	-	180	-
2007		-	-	317	278
2008		69,178,134	19,720	(4,500)	-
2009		69,178,134	18,678	-	-
2010		69,178,134	-	-	-
2011		69,178,134	-	-	-
2012		-	-	-	-
2013		-	-	-	-
2014		-	-	-	-
2015		-	-	-	-
2016		-	-	-	-
2017		-	-	-	-

NATIONAL MICROFINANCE BANK	2008	500,000,000	485,000	70,935	15,000
	2009	500,000,000	395,000	68,038	15,700
	2010	500,000,000	330,000	78,445	18,000
	2011	500,000,000	425,000	102,736	25,000
	2012	500,000,000	560,000	144,662	34,000
	2013	500,000,000	1,310,000	188,131	45,000
	2014	500,000,000	1,700,000	224,659	45,000
	2015	500,000,000	1,000,000	215,166	52,000
	2016	500,000,000	1,375,000	153,825	52,000
	2017	500,000,000	1,375,000	91,238	52,000
CRDB BANK PLC	2005	123,666,600	-	24,390	1,855
	2006	123,666,600	-	38,446	2,102
	2007	247,333,200	-	51,703	4,205
	2008	2,176,532,160	485,000	60,005	4,253
	2009	2,176,532,160	255,743	61,922	15,928
	2010	2,176,532,160	250,300	65,637	17,400
	2011	2,176,532,160	375,452	70,833	19,589
	2012	2,176,532,160	326,480	107,702	26,100
	2013	2,176,532,160	609,429	122,021	30,400
	2014	2,176,532,160	935,910	132,244	24,048
2015	2,176,532,160	1,018,620	187,690	31,407	
2016	2,611,838,584	652,960	128,978	43,208	
2017	2,611,838,584	457,070	61,755	26,118	
SWISSPORT	2002	-	-	1,946	1,024
	2003	36,000,000	19,080	3,342	1,820
	2004	36,000,000	20,520	3,234	1,946
	2005	36,000,000	21,600	4,430	2,524
	2006	36,000,000	21,960	5,062	2,796
	2007	36,000,000	25,560	5,166	2,862
	2008	36,000,000	21,600	4,847	2,592
	2009	36,000,000	21,600	5,668	3,238
	2010	36,000,000	21,600	6,322	3,327
	2011	36,000,000	29,520	10,238	5,671
	2012	36,000,000	61,920	9,723	5,378
	2013	36,000,000	96,480	11,387	5,997
	2014	36,000,000	180,360	18,693	7,106
	2015	36,000,000	262,800	25,969	14,510
	2016	36,000,000	196,200	15,232	12,187
2017	36,000,000	136,800	6,271	-	

TANZANIA PORTLAND CEMENT COMPANY LIMITED	2003	-	-	7,521	-	
	2004	-	-	11,199	-	
	2005	-	-	22,410	-	
	2006	179,923,100	124,150	27,932	5,038	
	2007	179,923,100	205,110	43,582	7,740	
	2008	179,923,100	287,880	50,193	12,595	
	2009	179,923,100	303,066	68,788	23,390	
	2010	179,923,100	323,860	71,929	25,101	
	2011	179,923,100	374,240	72,774	32,386	
	2012	179,923,100	467,800	92,341	33,285	
	2013	179,923,100	478,595	50,395	35,085	
	2014	179,923,100	719,690	79,676	45,836	
	2015	179,923,100	469,600	80,853	53,005	
	2016	179,923,100	412,020	39,838	60,257	
	2017	179,923,100	323,860	12,351	26,228	
	KENYA AIRWAYS LIMITED	2002	461,615,484	-	12,951	-
		2003	461,615,484	-	8,073	-
2004		461,615,484	115,403	28,884	-	
2005		461,615,484	461,620	81,236	9,232	
2006		461,615,484	720,120	125,280	13,332	
2007		461,615,484	692,420	107,550	14,544	
2008		461,615,484	692,420	102,156	-	
2009		461,615,484	692,420	(98,497)	8,027	
2010		461,615,484	600,100	92,537	12,464	
2011		461,615,484	470,848	66,196	12,966	
2012		1,496,469,034	1,481,504	40,796	7,110	
2013		1,496,469,034	239,440	(201,147)	-	
2014		1,496,469,034	164,610	(104,608)	-	
2015		1,496,469,034	149,650	(639,402)	-	
2016		1,496,469,035	-	(69,649)	-	
2017	5,823,588,269	2,091,932	(69,090)	-		



EAST AFRICAN BREWERIES LIMITED	2002	658,978,630	-	40,805	11,775
	2003	658,978,630	-	47,330	18,317
	2004	658,978,630	1,515,050	98,312	26,293
	2005	658,978,630	1,317,960	131,568	62,208
	2006	658,978,630	1,317,960	145,810	66,096
	2007	658,978,630	1,317,960	191,444	104,501
	2008	658,978,630	1,317,860	228,215	117,957
	2009	658,978,630	1,317,860	202,259	107,390
	2010	658,978,630	1,318,000	226,224	103,789
	2011	658,978,630	1,317,957	229,188	129,460
	2012	790,578,585	1,581,157	285,231	129,389
	2013	790,578,585	4,175,290	207,253	81,098
	2014	790,578,585	4,412,520	198,229	60,236
	2015	790,578,585	4,815,820	304,534	127,599
	2016	790,774,356	4,135,750	220,929	93,553
	2017	790,774,356	4,201,360	183,158	127,572
	JUBILEE HOLDINGS LIMITED	2002	36,000,000	-	2,623
2003		36,000,000	-	4,375	1,056
2004		36,000,000	-	4,884	1,256
2005		36,000,000	-	7,607	2,304
2006		36,000,000	210,960	12,097	2,754
2007		36,000,000	210,960	14,563	3,443
2008		36,000,000	210,960	16,690	3,544
2009		45,000,000	210,960	19,403	3,521
2010		45,000,000	210,960	-	-
2011		45,000,000	210,960	2,143	1,350
2012		58,895,000	345,125	49,174	6,555
2013		59,895,000	316,250	57,407	7,638
2014		59,895,000	509,710	75,227	7,986
2015		59,895,000	670,700	89,203	11,084
2016		59,895,000	590,565	29,970	11,692
2017		72,473,950	779,447	36,913	13,251

DAR ES SALAAM COMMUNITY BANK	2004	-	-	-	-	
	2005	1,795,588	-	523	-	
	2006	1,795,588	-	853	-	
	2007	2,535,302	-	2,285	304	
	2008	32,393,236	11,340	2,320	648	
	2009	32,393,236	9,232	2,484	907	
	2010	32,393,236	9,100	4,293	907	
	2011	32,393,236	20,732	4,437	1,554	
	2012	32,393,236	23,900	2,841	954	
	2013	67,827,897	33,236	5,220	1,800	
	2014	67,827,897	48,840	5,223	1,831	
	2015	67,827,897	36,970	5,131	-	
	2016	67,827,897	27,130	(2,967)	-	
	2017	67,827,897	27,130	(1,957)	-	
	KENYA COMMERCIAL BANK	2003	2,217,777,777	-	11,505	3,038
		2004	2,217,777,777	-	12,684	6,542
		2005	2,217,777,777	-	28,758	15,502
2006		2,217,777,777	-	55,313	24,262	
2007		2,217,777,777	-	77,861	27,013	
2008		2,217,777,777	975,822	111,418	41,095	
2009		2,217,777,777	975,822	104,564	38,567	
2010		2,217,777,777	975,822	176,560	38,571	
2011		2,217,777,777	1,298,074	262,488	64,313	
2012		2,855,061,944	1,256,227	314,288	91,643	
2013		2,855,061,944	1,256,227	366,607	62,541	
2014		2,855,061,944	3,207,970	453,111	108,768	
2015		2,855,061,944	2,673,310	504,528	122,882	
2016		3,066,056,647	2,636,809	221,148	-	
2017		3,066,056,647	2,934,815	220,712	65,951	
PRECISION AIR SERVICES LIMITED		2010	193,856,750	-	-	-
		2011	193,856,750	-	1,555	-
	2012	193,856,750	92,080	1,840	-	
	2013	160,469,800	73,816	(31,383)	-	
	2014	160,469,800	75,420	(11,999)	-	
	2015	160,469,800	75,420	(83,600)	-	
	2016	160,469,800	8,780	555	-	
2017	160,469,800	8,780	298	-		
"MAENDELEO BANK PLC (MBP)	2013	-	-	-	-	
	2014	-	-	-	-	
	2015	14,634,224	8,780	178	140.63	
	2016	14,634,224	8,780	555	-	
	2017	14,634,224	8,780	298	-	

SWALA GAS AND OIL (SWALA)	2014					
	2015	99,954,467				
	2016	99,954,467	49,980	(1,052)		-
	2017	99,954,467	49,980	(1,052)		-
UCHUMI SUPERMARKET LTD	2014					-
	2015					-
	2016	364,959,616	21,898	(61,018)		-
	2017	364,959,616	29,832	(36,157)		-
MKOMBOZI COMM BANK	2014					
	2015	20,615,272				
	2016	20,615,272				
	2017	20,615,272				
MWALIMU COMMERCIAL BANK LTD	2015	61,824,920				
	2016	61,824,920	30,910	(729.63)		-
	2017	61,824,920	30,910	(3,334)		-
YETU MICROFINANCE PLC	2015	-	-	-		-
	2016	12,112,894	7,270	401		-
	2017	12,112,894	7,270	434		-
MUCOBA BANK PLC	2016	8,156,423	3,260	162		-
	2017	8,156,423	3,260	170		-
DAR ES SALAAM STOCK EXCHANGE PLC (DSE)	2016	20,250,000	20,250	2,010		-
	2017	23,824,920	27,640	1,626	1,000.65	
VODACOM (T) LTD	2017	2,240,000,300	2,016,000	47,554	16,514	

#### 9.14. Collective Investment Schemes

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
Umoja Fund	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	29th July 2005	A unit trust fund investing in listed equity securities and bonds.
Wekeza Maisha / Invest Life	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	May 2007	An insurance linked investment plan investing in equity and fixed income securities.
Watoto Fund / Children Career Plan Unit	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	1st October 2008	To inculcate regular parents/ guardians savings habit for Children. The pooled fund is invested into a balanced portfolio.
Jikimu Fund / Regular Income Unit Trust	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	3rd November 2008	To offer financial solution to investors who seek income at regular intervals and seek possibility of long term capital appreciation and to sensitize the need for a planned approach to investments.
Liquid Fund (Mfuko wa Ukwasi)	Sukari House 3th Floor Sokoine / Ohio street P.O. Box 14825 Dar es Salaam	1st March 2013	An open ended growth scheme, which seeks to provide alternative investment opportunity to investors who wish to park their surplus/ idle funds for a short to medium term duration, at competitive rates. Low risk coupled with high level of liquidity remains the hallmark of this Fund.
TCCIA Investment Company Ltd.	P.O. Box 72678 Dar es Salaam	Initial IPO - 21st March 2005, additional fund raising 23rd September 2005	Investment in equity, debt securities and other.
National Investment Company Ltd.	Raha Towers, 4th Floor P.O Box 8528	Initial IPO - 13th November 2004, additional fund raising 23rd September 2005	Investment in equity, debt securities, and industrial and other business ventures.

Name of the Scheme / Company	Address	Date of issuance	Nature of Business
Watumishi Housing REIT	WATUMISHI HOUSING COMPANY LIMITED Golden Jubilee Tower, 4th Floor, Ohio Street/Kibo Street, P.O. Box 5119, Dar es Salaam.	The initial subscribers to the REIT were PPF; LAPF; NSSF; GEPF; NHIF; and NHC. A total of TZS 198 billion was raised from these subscribers.	To operate a scheme for construction and selling of houses to public servants. The fund will operate on a closed end basis for three years after which will be opened for other investors.
Umande Fund	CONSULTANTS FOR RESOURCES EVALUATION LIMITED, Fourth Floor, Elite City Building, P.O. Box 76800 Dar es Salaam	The offer opened on 18th May 2015 and closed on 24th July 2015	The fund operates 3 funds balanced as per investors needs as seeking long term capital appreciation which invests in equity securities, current income which invests in government papers and highly liquid corporate bonds; and current income and capital appreciation which invests mid way between equity and debt securities.

### 9.15. Register of Licensees

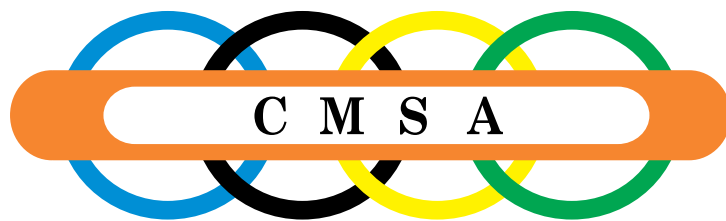
BROKER/DEALERS	
1.	<b>CORE SECURITIES LIMITED</b> FOURTH FLOOR, Elite City Building P.O. Box 76800, Dar es Salaam
2.	<b>TANZANIA SECURITIES LIMITED</b> IPS Building, 7th Floor Samora Avenue P.O. Box 9821, Dar es Salaam
3.	<b>SOLOMON STOCKBROKERS LIMITED.</b> PPF House, Ground Floor Morogoro Rd./Samora Avenue P.O. Box 77049 Dar es Salaam
4.	<b>RASILIMALI LIMITED</b> Tacoshili Building Sokoine Drive P.O. Box 9373 Dar es Salaam
5.	<b>ORBIT SECURITIES COMPANY LIMITED</b> 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
6.	<b>VERTEX INTERNATIONAL SECURITIES LTD.</b> Annex Bldg. - Zambia High Commission P. O. Box 13412 Dar es Salaam Tel. 255 - 22 - 2110387/ 2116392 Fax: 255 - 22 - 2110387 Email: <a href="mailto:vertex@vertex.co.tz">vertex@vertex.co.tz</a>

7.	<b>ZAN SECURITIES</b> Head Office 1 <sup>st</sup> Floor, Muzammil Centre, Malawi Road, PO Box 2138, Zanzibar, Tanzania  Branch office: 2 <sup>nd</sup> Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania
8.	<b>EA CAPITAL LIMITED</b> I.T. Plaza, 6th Floor, Ohio Street, P.O. Box 20650, Dar es Salaam. Email: <a href="mailto:ec@eacapital-tz.com">ec@eacapital-tz.com</a>
9.	<b>OPTIMA CORPORATE FINANCE LIMITED</b> Senga Road, Mikocheni, P.O. Box 4441, Dar es Salaam
10.	<b>ARCH FINANCIAL &amp; INVESTMENT ADVISORY LIMITED</b> 2nd Floor, Wing C, NIC Life House Sokoine Drive/Ohio Street P.O. Box 38028 Dar es Salaam
11.	<b>SMART STOCK BROKERS LIMITED</b> 1 <sup>st</sup> Floor, Masdo House, Samora Avenue, P.O. Box 105678, <b>DAR ES SALAAM</b>
12.	<b>CRDB BANK PLC</b> Azikiwe Street, P.O. Box 268, Dar es Salaam.
CUSTODIAN OF SECURITIES	
1.	<b>STANDARD CHARTERED BANK</b> International House Shaaban Robert Str. Garden Avenue P.O. Box 9011, Dar es Salaam
2.	<b>CRDB BANK PLC</b> Custodial Services Unit, 12 <sup>th</sup> Floor, Golden Jubilee Towers, P. O. Box 268, Dar es Salaam, Tanzania
3.	<b>STANBIC BANK (T) LIMITED</b> Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tanzania. Tel: +255 22 266 6430/480 Fax: +255 22 266 6301 Website: <a href="http://www.stanbicbank.co.tz">www.stanbicbank.co.tz</a>
4.	<b>AZANIA BANK LIMITED</b> 3rd Floor, Mawasiliano Towers, Sam Nujoma Road, P.O. BOX 32089, Dar es Salaam

BOND TRADERS	
1.	<b>STANDARD CHARTERED BANK</b> International House Shaaban Robert Str. Garden Avenue P.O. Box 9011 Dar es Salaam
2.	<b>STANBIC BANK (T) LIMITED</b> Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tel: +255 22 266 6430/480 Fax: +255 22 266 6301
3.	<b>NMB BANK PLC</b> NMB House, Azikiwe/Jamhuri Street P.O. Box 9213, Dar es Salaam
4.	<b>NATIONAL BANK OF COMMERCE LIMITED</b> Sokoine Drive & Azikiwe Street P.O. Box 1863, Dar es Salaam,
5.	<b>CRDB BANK PLC</b> Azikiwe Street, P.O. Box 268, Dar es Salaam.
6.	<b>COMMERCIAL BANK OF AFRICA (T) LTD</b> Amani Place, Ohio Street, P.O. Box 9640, <b>DAR ES SALAAM.</b>
INVESTMENT ADVISERS	
1.	<b>ORBIT SECURITIES COMPANY LIMITED</b> 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
2.	<b>STANDARD CHARTERED BANK TANZANIA LIMITED</b> International House Shaaban Robert Str. Garden Avenue P.O. Box 9011, Dar es Salaam
3.	<b>RASILIMALI LIMITED</b> Tacoshili Building Sokoine Drive P.O. Box 9373 Dar es Salaam
4.	<b>CORE CAPITAL LIMITED</b> Fourth Floor, Elite City Building P.O. Box 76800, Dar es Salaam Tel. 255 - 22 - 2123103 Fax. 255 - 22 - 2122562
5.	<b>ERNST &amp; YOUNG ADVISORY SERVICES</b> Utalii House 36 Laibon Road, Oyster bay P.O. Box 2475, Dar es Salaam
6.	<b>FTC CONSULTANTS LIMITED</b> 2nd Floor, Osman Towers Zanaki Street P.O. Box 22731 Dar Es Salaam, Tanzania

7.	<b>NATIONAL BANK OF COMMERCE LTD.</b> Sokoine Drive & Azikiwe Street P.O. Box 1863, Dar es Salaam, Tanzania
8.	<b>EQUITY FOR TANZANIA LTD. (EFTA)</b> P.O. Box 1747 Moshi.
9.	<b>CORNERSTONE PARTNERS LTD.</b> Unit 217, Harbour View Tower Samora Avenue P. O. Box 9302 Dar es Salaam, Tanzania
10.	<b>STANBIC BANK (T) LTD</b> Stanbic Centre, 99A Kinondoni Road P. O. Box 72647, Dar es Salaam, Tanzania.
11.	<b>ZAN SECURITIES</b> Head Office 1st Floor, Muzammil Centre, Malawi Road, PO Box 2138, Zanzibar, Tanzania Tel: +255 24 223.8359 Fax: +255 24 223.8358  Branch: 2 <sup>nd</sup> Floor, Viva Towers, Ally Hassan Mwinyi Road, PO Box 5366, Dar es Salaam, Tanzania
12.	<b>STANLIB TANZANIA LIMITED</b> Maktaba Square, 4th Floor, Maktaba Street, P.O. Box 7495 Dar es Salaam c/o Rex Attorneys
13.	<b>OMEGA CAPITAL LIMITED</b> P.O. Box 23227 c/o CORE SECURITIES LIMITED, Elite City Building, Samora Avenue, P.O. Box 76800, Dar es Salaam.
14.	<b>TANZANIA MORTGAGE REFINANCE COMPANY</b> 15th Floor, Golden Jubilee Tower, P.O. Box 7539 DAR ES SALAAM
15.	<b>M CAPITAL PARTNERS LIMITED</b> M Capital Partners Limited, 8, Obama Drive, P.O. Box 96 DAR ES SALAAM
16.	<b>SMART STOCK BROKERS LIMITED</b> 1 <sup>st</sup> Floor, Masdo House, Samora Avenue, P.O. Box 105678, <b>DAR ES SALAAM</b>
17.	<b>EXIM BANK TANZANIA LIMITED</b> P.O. Box 1431, DAR ES SALAAM.
18.	<b>VERVET GLOBAL LIMITED</b> Vervet Global Limited, 1st Floor, C&G Plaza, P.O. Box 75886, Dar es Salaam.

FUND MANAGERS	
1.	<b>ORBIT SECURITIES LIMITED</b> 4th Floor, Golden Jubilee Tower (PSPF Bldg.) Ohio Street, P.O. Box 70254, Dar es Salaam
2.	<b>SOLOMON STOCK BROKERS LIMITED</b> PPF House, Ground Floor Morogoro Rd./Samora Avenue P.O. Box 77049 Dar es Salaam
3.	<b>E.A. CAPITAL LIMITED</b> E.A Capital (T) Limited, I.T Plaza, 6th Floor, Ohio Street, P.O. Box 20650, Dar Es Salaam.
4.	<b>UNIT TRUST OF TANZANIA – ASSET MANAGEMENT AND INVESTORS SERVICES PLC (UTT-AMIS)</b> 3rd Floor, Sukari House Sokoine Drive / Ohio Street P.O. Box 14825 Dar es Salaam
5.	<b>WATUMISHI HOUSING COMPANY LIMITED</b> Golden Jubilee Tower, 4th Floor, Ohio Street/Kibo Street, P.O. Box 5119, Dar es Salaam.
6.	<b>OPTIMA CORPORATE FINANCE LIMITED</b> Senga Road, Mikocheni, P.O. Box 4441, Dar es Salaam
7.	<b>CORNERSTONE PARTNERS LTD.</b> Unit 217, Harbour View Tower Samora Avenue P. O. Box 9302 Dar es Salaam, Tanzania
8.	<b>SMA CAPITAL LIMITED</b> P.O. Box 10751 House no. 14, Kilimanjaro Street Mikocheni A, <b>DAR ES SALAAM.</b>
NOMINATED ADVISERS	
1.	<b>CORE CAPITAL LIMITED,</b> Fourth Floor, Elite City Building P.O. Box 76800 Dar es Salaam Tel. 255 - 22 – 2123103 Fax. 255 - 22 – 2122562
2.	<b>ARCH FINANCIAL &amp; INVESTMENT ADVISORY Limited</b> 2nd Floor, Wing C, NIC Life House Sokoine Drive/Ohio Street P.O. Box 38028 Dar es Salaam



CAPITAL MARKETS AND SECURITIES AUTHORITY