

**CSD & REGISTRY COMPANY LIMITED
(CSDR)**

RULES, 2017

Prepared by the Dar es salaam Stock Exchange PLC

Approved by the Capital Markets and Securities Authority on
the day of, 2017

PART I
PRELIMINARY PROVISIONS

Citation	<p>1. These Rules may be cited as the CSD and Registry Company Limited Rules, 2017.</p>
Interpretations	<p>2. In these Rules unless the context require otherwise- "Accrued Interest" means the amount of interest which has accumulated in respect of an interest-bearing security from the last payment up to settlement day;</p>
Cap. 79	<p>"Act" means the Capital Markets and Securities Act;</p> <p>"Admission/Admitted on the List" means a security which is being / has been admitted to a quotation on either the Main Investment Market segment or the Enterprise Growth Market segment of the Dar es Salaam Stock Exchange PLC (whether or not trading actually takes place on the DSE);</p> <p>"Annual Accounts" means the financial statements for the year in question including the balance sheet, the profit and loss account, cash flow statements, directors' report and the notes to the accounts;</p> <p>"Applicant" means a new Applicant/existing Issuer applying for securities to be deposited on the CSD or a new Applicant for Membership, as the context may permit;</p> <p>"Authorised Central Depository System Operator" means a licensed dealing member of the CSD or any other institution approved by the Board of the CSD to open and operate Central Depository System accounts upon instructions of investors or to operate its own account;</p>
Cap.79	<p>"Authorised Dealers' Representative (ADR)" means a natural person licensed in accordance with CMS Act, and permitted by the Authority to carry on the business of agency trading or dealing in securities using the facilities of the DSE and CSD on behalf of the LDM;</p>
Cap. 79	<p>"Authority" means the Capital Markets and Securities Authority ("CMSA") established under the Capital Markets and Securities Act;</p> <p>"Best Market Price" means the current highest bid and the lowest offer in a specific security;</p> <p>"Bid" means an order submitted by an LDM to the DSE to buy securities at a certain price referring to a price which a buyer is willing to accept for his securities;</p> <p>"Block Certificate" means a single certificate issued by a Registrar of an Issuer representing a large number of securities for holders grouped together (in a fungible form).</p>

"Block Trade" means a single lot of any security Admitted on the List with a value exceeding TZS 1 billion which is sufficiently large to exceed the capacity of the market;

"Board" means the governing organ of the CSD;

"Bond Registrar" means the holder of the register for a bond who shall also be the Transfer Agent;

"Book-entry" means the entries made on computer database, within the Central Depository System, to record the final legal ownership or change of ownership of securities;

"Borrower" means a holder who has mortgaged securities held or to be held in the Central Depository System as collateral against a loan;

"Business Day" means any day in the week that is not a Saturday or Sunday, or gazetted holiday, or announced by the Exchange in a general notice;

"Capital" mean share capital including preference shares;

"Central Securities Depository (CSD)" or "The Depository" or "CSD" means the CSD and Registry Company Limited, a subsidiary company of the DSE which holds the definitive and authentic record of securities in immobilised or dematerialised form, to enable book-entry transfer of securities;

"Central Depository System or CDS" means the book-entry ledger system used by the CSD;

"Constituent" means components of the indices;

"CSD Members" means a member who is authorised by the Board to access the CDS for purposes of clearing, settlement, depository and registry operations;

"Chairman" means the Chairman of the Board of the CSD;

"Managing Director" means the Managing Director of the CSD;

"Clearing Bank" means a commercial bank designated by the DSE to settle transactions on behalf of LDMs and CSD Members;

"Contract Note" means a note containing the details of a transaction concluded at the DSE as required by the DSE Rules and settles in the CSD;

"Client Depository Account" means a record in ledger form describing the details of securities investments held by a client in the CSD;

"Client Reference Number" means an identification number designated for a client by an Authorised Central Depository System Operator;

"Close" means the time at which the market is no longer available for continuous trading;

"CMS Act" means Capital Markets and Securities Act;

"Committee" means a Committee set up by the Board dealing with the matters included in its terms of reference as the context requires;

"Connected Persons" means-

(a) in the case of Members, the directors, shareholders, ADRs and first generation of family relatives of these parties;

(b) in the case of Listed Issuers, the directors and first generation of family relatives of these parties;

"CSD Receipt" means a non-negotiable document issued by the CSD at the request of a CSD account holder representing-

(a) the deposit or purchase of securities;

(b) a debit advice (covering sales or transfers) of securities;

(c) as recorded in a CSD account on a given date;

"Custodian" means a legal person that acts as a custodian of securities, regulated by the CMSA, admitted as a CSD Member of the Depository;

"DATS" means the DSE Automated Trading System;

"DATS Trader" means a natural person permitted by the Exchange to exclusively trade on behalf of an LDM;

"Date of Default" means the date when the LDM or CSD Member has been declared to be in default pursuant to these Rules;

"Default Notice" means such notice as may be issued by the Depository announcing the declaration of default;

"Delivery versus Payment" means the settlement process defined in Part VII of these Rules;

"Deposit" means the delivery and transfer of securities by a client to CSD custody, through a CSD Member;

"Depository" or "CSD" means the CSD and Registry Company Limited, a subsidiary company of the DSE which holds the definitive and authentic record of securities in immobilised or dematerialised form, to enable book-entry transfer of securities;

"DSE" means the Dar es Salaam Stock Exchange Public Limited Company, authorized by the Authority;

"Discretionary Account" means an account in which the client gives an LDM a discretion which may be general or specific as to the purchase or sale of securities including selection, timing and price to be paid or received;

"EAC" means the East African Community;

"Electronic Securities Service Provider" means any person approved by the Authority to offer securities services through an electronic platform;

“Enterprise Growth Market segment (EGMs)” means a market segment within DSE for securities-such as those of starter up, small and medium sized enterprises;

“Exchange” means the DSE;

Cap.212

“Financial Year” means the period covered by the Company’s financial statements prepared for the purposes of the Companies Act;

"Foreign Investor" has the same meaning as under the Capital Markets and Securities (Foreign Investors) Regulations 2003;

"Fund" means a REIT or other collective investment scheme Admitted on the List;

“Fungible” means all securities deposited at the CSD of the DSE that are freely interchangeable with another in satisfying an obligation;

“Government” means the Government of the United Republic of Tanzania;

“Group” means an Issuer and its subsidiaries;

Cap.212

“Holding Company” has the same meaning given under section 126 of the Companies Act;

“Institutional Investor” means a legal person conducting investment business;

"Initial Public Offer (IPO)" means the initial issuance of securities to the public on the primary market with potential for listing and trading at the DSE;

“Issuer” means a public company or other legal entity whose securities are listed at the DSE and deposited at the CSD or are the subject of an application for listing and deposit of its shares at the CSD or any entity with a potential for listing or depositing shares;

“Lender” means a party who accepts securities held in the CDS as collateral in respect of a loan, under the procedures laid down in the CSD Rules;

“Licensed Dealing Member (LDM)” means persons licensed by the Authority to deal in securities and admitted to CSD membership by the Board;

“List” means all the securities traded on the DSE and deposited in the CSD;

“Listed” means Admitted on the List of the DSE and deposited in the CSD (except where the context requires otherwise); “listing” being construed accordingly;

“Listed Company” means a company, any part of the shares of which has been listed and deposited in the CSD;

“Listed Securities” means all the securities of that class that are listed and deposited in the CSD;

- “Debt Securities” means interest bearing securities which do not have a share in the equity of the company;
- “Market Imbalance” means a situation in the Pre-open Market when the best bid is higher than the best offer;
- “Market Index” means a statistical measurement of the performance of a particular group of securities, using a clearly defined set of Rules of the DSE;
- "Market Order" means an order which does not have a specified price when it is posted for execution. This type of order will be executed automatically at the best price obtainable and will have priority over limit order at the same price levels and assumes an initial price limit value normally based on the price most advantageous in the market. A Market Order trades through a range of prices starting at the best price in the market;
- “Market Official” means the Exchange official who manages the operations of the DSE in accordance with the DSE Rules;
- "Main Investment Market segment (MIMs)" means the main market segment of DSE which is designed for larger and more established companies;
- “Member” means an authorised LDM, CSD Member, Registrar, Nominated Advisor who is approved by the Board;
- “Mobile Phones Network Operators (MNO)” means a company that provides services of wireless communications to end users. Also, known as wireless service provider;
- “Mortgage of Securities” means the use of securities held at the CSD to guarantee performance by a borrower of a contract between borrower and lender;
- "Net Capital" shall be the greater of the amounts prescribed by the CMS (Accounting and Financial Requirements) Regulations, 1997 as may be modified by the Authority from time to time;
- “Net Turnover” means the amount derived from the sale of products and the provision of services falling within an undertaking’s ordinary activities after deduction of sales rebates and any taxes directly linked to turnover;
- “Netting” means a process by which gross, or trade-by-trade obligations between counterparties in a transaction are settled by a single transfer of the net amount of funds;
- “Nominated Advisor” shall have the same meaning given under the Capital Markets and Securities Act;
- "Non-Compliant Board" means a board for securities that do not meet the DSE Rules;

"Non-Dealing Member" means a Registrar, Nominated Advisor or CSD Member;

"Normal Lot" means a standard number of shares for a specific security which can be traded on the market as may be determined by the Exchange;

"Odd Lot" means any number of shares that is less than a Board Lot for a specific security;

"Offer" means an order submitted to the DSE by an LDM to sell securities at a certain price, referring to a price which a seller will accept for his securities;

"On Exchange" means a transaction in security Admitted on the List of the DSE concluded on DATS;

"Opening Algorithm" means a calculation as set out in these Rules used at the time of opening the trading session to calculate an Opening Price for each security;

"Opening Auction" means the process in DATS, by which the Opening Price is calculated;

"Opening Price" means the reference price for each security at the start of continuous trading;

"Order" means a bid or an offer submitted to DATS by an LDM to buy or sell securities;

"Platform Host" means an electronic securities service provider authorized by DSE to offer securities services through MNOs;

"Pre-Arranged Trades" means Block Trades where the buyers and sellers have been identified prior to execution on DATS;

"Pre-Opening" means a state during the trading session, for equities only, where DATS Traders can enter limit price orders and view order quantity imbalances but during which no orders are executed;

"Prescribed Territory" shall have the same meaning as under the Capital Markets and Securities (Foreign Investors) Regulations 2003;

"Price" means the unit price of a security;

"Private Transfer" means a transfer of securities which does not involve monetary consideration as set out in these Rules;

"Protection Price" means a fixed percentage on the Touchline Price, recalculated every time a new market order is submitted to the order book;

"Recognised Stock Exchange" means a stock exchange other than the DSE recognised by the Authority;

"REITS" shall have the same meaning as under the Capital Markets and Securities (Collective Investment Schemes) (Real Estate Investment Trusts) Rules, 2011;

"Registrar" means an entity entrusted by the Issuer to keep records of securities holdings;

"Rules" means these Rules of the CSD and Registry Company Limited (as amended from time to time);

"SADC" means the Southern Africa Development Community;

Cap.79

"Securities" includes securities as defined under the Capital Markets and Securities Act;

"Settlement Day" means the day designated for delivery versus payment settlement for a trade or other transfer as defined in these Rules;

"Settlement Time" means-

(a) for payments, no later than 9.00 a.m.;

(b) for securities within five minutes of the CSDR receiving confirmation of cleared payments from the Clearing Bank on each Business Day;

"Short Sale" means a sale of a security when the seller does not own the security, or have an exercisable right of sale;

Cap.212

"Subsidiary Company" means a subsidiary company as defined by the Companies Act;

"Symbol" shall mean the acronym that identifies the security being traded.

"T+" means transaction date (T) plus the configurable number of specified Business Days for settlement;

"Touchline Price" means the highest bid or lowest offer price in the order book at a specific point in time. If bids or offer are unavailable for the day, the touchline is defined as the previous closing price. For the first day of trading following an Admission on the List the Touchline Price is defined as the issue price;

"Trade" means a bid and an offer which have been either wholly or partially executed or reported to conclude a contract under CSD Rules;

"Trade Range" means the price range established by the Exchange from time to time within which a trade can take place on the market;

"Trader" means a DATS Trader;

"Trading Session" means the designated period during which orders can be executed, amended, cancelled and traded;

Cap.79

"Trust Account" means a bank account opened and maintained by a Licensed Dealing Member of the DSE into which all clients money is deposited as required under the Capital Markets and Securities Act;

“Verification” means the process of confirming the facts regarding a client’s claim to a security on the CSD and the status of the holdings;

"VWAP" means the total value traded divided by the total volume traded for each security.

PART II
THE GOVERNANCE OF THE CSD AND REGISTRY COMPANY LIMITED

General Meeting

3.-(1) “The CSD shall in each year hold its annual general meeting in addition to any other meeting in that year”.

(2) The proceedings and power of the general meeting shall be those spelt out in the Memorandum and Articles of Association.

The Board

4.-(1) The CSD is the subsidiary company of the DSE with its own Board, which issues company policies, guidelines, directions and makes Rules in accordance with the provisions of the Memorandum and Articles of Association establishing the CSD.

(2) The Board is the policy making body of the Depository consisting of not less than two (2) and not more than five (5) directors.

(3) The powers and functions of the Board are as provided under the Memorandum and Articles of Association of the CSD.

The Managing Director

5.-(1) The Managing Director is appointed by the Board and is responsible for planning and formulating strategies and new development policies for approval by the Board and for ensuring the implementation of these strategies and policies.

(2) The Managing Director is in charge of the day-to-day operations of the Depository.

(3) In discharging his functions, the Managing Director is assisted by managers and other supporting staff who support the managers.

(4) The Managing Director of the CSD shall be engaged for a renewable period of three years subject to other terms and conditions as may be prescribed by the Board.

(5) The CSD may at any time terminate the appointment of the Managing Director if-

- (a) he neglects or refuses, or from any cause, other than ill health not caused by own misconduct, becomes unable to perform any of his duties or to comply with any orders of the Board;
- (b) in any manner misconducts himself; or
- (c) he shall abrogate from his duties under the contract.

(6) Before the termination of the Managing Director, the CSD shall afford him an opportunity to be heard and defend himself.

Managers

6.-(1) The managers shall be appointed by the Board and shall be accountable to the Managing Director.

(2) In performing of their functions under these Rules, the managers shall report to the Managing Director.

PART III
DIVISION I
MEMBERSHIP OF THE CSD AND REGISTRY COMPANY LIMITED

Admission to
Depository

7.-(1) The Board may admit to the CSD the following categories of Members:

- (a) Licensed Dealing Members (LDMs);
- (b) Issuers;
- (c) Custodians;
- (d) Settlement Banks
- (e) Registrars;
- (f) Nominated Advisor; and
- (g) Institutional Investors

(2) There shall be no limit on the maximum number of Members to be admitted to the CSD.

Eligibility of
members

8.-(1) A person who intends to be admitted as a member of the CSD shall-

- (a) possess the relevant licences
- (b) be of good financial standing and is not adjudged bankrupt;
- (c) be willing to pay admission as well as annual fees in accordance with the fee tariff of the CSD as shown in these Rules and as may be modified by the CSD from time to time;
- (d) have not defaulted in DSE transactions or on another marketplace recognised by the Authority;
- (e) be willing to integrate with the CSD's systems infrastructure as may be modified and upgraded from time to time; and
- (f) submit recommendation letters from two reputable referees acceptable to the CSD.

(2) All applicants applying for CSD Membership must be duly established under Tanzanian laws or other jurisdiction in EAC, SADC or other country that is recognised by the Authority and continue to so exist.

CSD members

9. The following legal persons must obtain approval from the Board before being admitted as CSD Members-

- (a) LDMs;
- (b) Custodians;
- (c) Nominated Advisor;
- (d) Registrars;
- (e) Settlement bank; and
- (f) Institutional Investors.

10.-(1) An Applicant applying for admission as a Member shall submit to the CSD an application in writing, specifying the category of membership applied for, in the form as set out in the Schedule to these Rules and include with the application the following-

(a) in case of a Dealing or Non-dealing Member -

- (i) certificate of incorporation or certificate of registration;
 - (ii) constitutional documents establishing the body corporate such as the relevant constitution, trustee deeds, memorandum or articles of association;
 - (iii) the profiles of the directors, a compliance officer and a principal officer; and in the case of LDMs, the ADRs, DATS traders, CSD members and Registrars and evidence of the requisite technical expertise;
 - (iv) business licence or any other legal or regulatory registrations from the Authority, the Bank of Tanzania or other recognised institution as may be appropriate;
 - (v) audited financial statements for the past three years or a shorter period as acceptable to the DSE in the case of applicants which have had a shorter period of incorporation;
 - (vi) statutory declaration by the principal officer of the Applicant to the effect that the company is not adjudged insolvent and is of sufficient financial standing;
 - (vii) bank guarantees and other financial requirements in case of LDMs, Custodians and Registrars;
 - (viii) an undertaking that the Applicant shall comply with these Rules;
- (b) in the case of a Custodian CSD member, confirmation that the applicant has appropriate safekeeping measures (such as vaults and other security measures) to store securities and other physical records where appropriate;
- (c) in all cases, an application shall be accompanied by the non-refundable application fee and membership fee applicable from time to time.

(2) Upon the decision of the Board that the Applicant is qualified, fit and proper as a member, where required, the Applicant shall lodge the necessary financial guarantees, for the time being payable within the period stipulated by the Board, and the Board shall admit the Applicant to membership.

(3) The Applicant shall be registered as a Member and be entitled to all the associated benefits defined in these Rules from the date of satisfying the requisite financial guarantees.

(4) Where the applicant fails to make the payment within the prescribed period, the application shall automatically lapse, unless, consequent upon an appeal by the Applicant to the Board, the Board directs otherwise.

(5) Members shall pay the fees and relevant subscription charges as provided under the Fee Structure and as may be prescribed by the Board from time to time in accordance with these Rules.

(6) Members and applicants shall also complete any technology integration requirements with the CSD's systems within the timescales stipulated by the Depository.

(7) A Member shall give advance notice of commencement, temporary suspension, and cessation of business to the Board.

Bank guarantees

11.-(1) As a pre-requisite of acceding to the benefits of membership, every LDM, Nominated Advisor, Custodian and Registrars shall furnish a bank guarantee to the CSD, drawn on a bank authorised by the Bank of Tanzania that shall not be less than the amount prescribed under sub-rule (3) of this Rule and approved by the Authority.

(2) The bank guarantee under sub-rule (1) shall be free of any charges of encumbrances and shall be in a manner set out in the Second Schedule to these Rules.

(3) The bank guarantee shall be:

- (a) TZS 50 million in respect of settlement activities undertaken by Custodians; and
- (b) TZS 25 million in respect of registration activities undertaken by non-custodian CSD members.

(4) These guarantees under this rule shall remain in place throughout the duration of membership.

(5) The bank guarantee shall be defined in accordance with a standard set of conditions defined by the CSD.

(6) In the event that a bank guarantee becomes invalid, or is used in whole or in part, a member shall not be entitled to operate until the guarantee is restored.

Memorandum and
Articles of
Association

12.-(1) Every CSD Member shall provide a copy of all changes to its Memorandum and Articles of Association in particular in relation to alteration of the name of the CSD Member.

(2) The company name of the CSD Member registered with the Depository shall be the same as that registered by that Member under the Companies Act or equivalent under any relevant legislation.

(3) A Member may register with the Depository more than one business address held for the purpose of dealing in securities.

(4) Where a Member has registered more than one business address, that Member shall specify one address its principal business address.

(5) Business address under sub-rule (4) shall mean a place where the business of dealing in securities or other functions in relation to the CSD is frequently carried out by or on behalf of the member.

DIVISION II CODE OF BUSINESS CONDUCT

Independence

13. A member shall not directly or indirectly hold a beneficial interest in the share capital of, or have any other working arrangements with, any other member, unless approved by the Board which may in its discretion, set any conditions for such approval as it deems fit.

Fiduciary
responsibility

14.-(1) Knowledge and information gathered from a client in the course of its business dealings is obtained in a fiduciary capacity.

(2) A member shall not use, directly or indirectly, the knowledge and information obtained under this rule for the advancement of the financial interest of the member or the member's associates.

Customer complaints

15.-(1) Every CSD Member shall have in operation a published procedure for the handling of complaints from its customers.

(2) The procedure under sub-rule (1) shall include reference to a requirement that all customer complaints are duly entered in a register detailing action taken towards their resolution.

(3) The register under sub-rule (2) shall be made accessible to the DSE upon request.

(4) All employees of an LDM who deal with customers shall be made aware of the procedures which provide for-

- (a) the complaint to be investigated fully and appropriately by the compliance officer;
- (b) the complaint to be reported to the CSD if not settled within seven days of receipt;
- (c) the notification to the complainant of his right to utilise the CSD's published complaints procedure.

16.-(1) A CSD member shall be responsible for all acts committed or omitted, directly or indirectly, by its directors, employees or agents in its securities business.

(2) Any director, manager or officer of a Member shall be jointly and severally held liable together with the CSD member under these Rules for any breach of or non-compliance with the Act, the Articles or these Rules.

(3) A Member not continuing to meet the requirements of membership shall thereupon be deemed to be in-capacitated in the event of:

- (a) passing a resolution to wind up or a court order being made for the appointment of a liquidator, receiver or winding up;
- (b) becoming insolvent; and
- (c) failing to pay membership fee for 3 consecutive years.

(4) Without prejudice to sub-rule (3), a CSD member shall also be deemed to be incapacitated in the event of-

- (a) ceasing to have a director, a compliance officer and/or a principal officer, or in the case of a casual vacancy, failing to replace the former director or officer within a reasonable time as may be allowed by the CSD; and
- (b) failing to meet bank guarantee requirements defined in these Rules.

(5) Where a Member is incapacitated-

- (a) all the rights and benefits of membership shall be immediately suspended;
- (b) that Member, or the personal representative, trustee, receiver, or liquidator as the case may be, who is in charge and has power over the assets of the Member shall abide by these Rules and the decisions of the Board as if he were the Member, in particular executing any necessary transfers, or discharging payment obligations ensuing therefrom; and

(6) The CSD reserves the right to invoke the buy-in or sell out procedures defined in these Rules.

17.-(1) A Member shall not commit an act of misconduct.

(2) Acts of misconduct shall consist of any of the following:

- (a) breach of any rule or established good practice;
- (b) failure to comply with a decision of the CSD management, Committee or Board;
- (c) any conduct detrimental to the interests of the CSD or is dishonourable, disgraceful, improper or unbecoming of a member;

- (d) knowingly becoming involved in conduct, neglect or default which contributes to an act of misconduct by a Member or any of the partners, directors, shareholders, employees or agents thereof;
- (e) failure on the part of a Member, who knew or ought to have known of any proposed or actual act of misconduct by a Member or any of the partners, directors, shareholders, employees, agents or clients thereof, to take reasonable steps to prevent it or bring to the attention of the appropriate person or otherwise to deal with it as may be appropriate;
- (f) failure on the part of a director, compliance officer or principal officer of a Member to ensure that his company is adequately resourced and that its operations are conducted in accordance with the CSD best practices; or
- (g) failure to pay any fine imposed within the time specified by the Board;
- (h) failure to have funds in the settlement account prior to settlement day.

Disciplinary
procedures

18.-(1) Where the CSD management considers that a Member may be in breach of these Rules, it shall require a written explanation from that Member to be given within three business days from the time when the CSD requests the Member to provide such information.

(2) Where the Member's explanation is deemed by CSD management as insufficient or where no written explanation is forthcoming, CSD management shall refer the matter to the Committee responsible for disciplinary matters.

(3) In determining whether a breach of these Rules has taken place, the Committee for disciplinary matters may, in its discretion, call for further submissions from the CSD management and the Member.

(4) Where the Committee determines that a breach of these Rules has taken place, it shall report the matter to the Board with any recommendation on appropriate sanctions and issue the Member with a copy of that report.

(5) The Board shall consider imposing any sanction pursuant to Rule 19.

(6) A Member who is aggrieved by the decision of the Board under this rule may, within three days from the date when that decision was communicated to him, appeal to the Authority.

(7) Unless the context otherwise requires, references to a "Member" under this rule shall include any former Member and a reference to "membership" shall be construed accordingly.

Disciplinary
measures

19.-(1) The sanction that may be imposed on any Member under the disciplinary procedure, may be one or more of the following:

- (a) expulsion from membership;
- (b) reprimand;
- (c) fine which a Member shall pay by imposing it as a due debt to the CSD within the time limits specified by these Rules; and

(2) Disciplinary proceedings against a former Member shall not be instituted beyond one year from cessation, resignation or other termination of membership.

Business conduct

20.-(1) Each Member shall at all times adhere to the principles of good business practices in the conduct of its business affairs.

(2) A CSD Member shall through a principal officer-

- (a) use due diligence to learn the essential facts relative to every client, order, cash account accepted or operated by that Member and every person holding power of attorney over any such account;
- (b) specifically approve the opening of an account prior to or promptly after the completion of any transaction for the account of or with a client.

(3) The designated principal officer approving the opening of the account under sub-rule 3 (c) shall, prior to giving his approval, be personally informed as to the essential facts relative to the client and to the nature of the proposed account and shall indicate his approval in writing on a document which shall become part of the permanent records of the said Member.

Nominee accounts

21.-(1) Where an agency account is operated by a CSD Member, its files shall contain the name of the principal for whom the agent is acting and written evidence of the agent's authority to trade on its behalf.

(2) Where estate and trustee accounts are involved or where a husband is acting as agent for his wife, or vice versa, the said Member shall act on advice from legal counsel as to the documents that should be obtained before opening the account.

(3) All client accounts must be identified and designated by a full name of the client and no CSD Member shall operate a client account designated only by a number or symbol.

(4) All CSD Members shall inform the Depository promptly of particulars of delinquent accounts.

Particulars of clients

22.-(1) All particulars relating to every client shall be recorded and maintained up to date at the office of the CSD Member.

(2) Particulars under sub-rule (1) shall include the identity card or passport number, residential address and telephone numbers, occupation and name, address of employer if applicable and all other information concerning the client that may be useful in identifying such client, in addition to the particulars prescribed by the Board.

(3) All accounts maintained by foreign investors must be separately designated as such in the CSD.

Contract Notes

23.-(1) Not later than the next business day following the relevant trade, an LDM shall dispatch to its client by ordinary post or hand delivery unless any other method of delivery has been agreed upon in writing, a contract note in respect of the purchase or sale of securities executed, including the following details-

- (a) the name and style under which the LDM carries on business and the address of the principal place at which it so carries on business;
- (b) a statement as to whether the LDM is acting as principal or agent;
- (c) the name of the person to whom the LDM is required to issue the contract note;
- (d) the date and time of the trade, and the date on which the contract note is made out;
- (e) the quantity and description of the securities that are being sold or purchased;
- (f) except in the case of Private Transfers, the price per unit of the securities;
- (g) the amount of consideration payable under the contract or, in the case of an exchange, sufficient particulars of the securities exchanged to identify them;
- (h) the rate of amount of commission payable in respect of the contract;
- (i) the amount of stamp duty, if any, and registration charges, if any, payable in connection with the contract and, where applicable, in respect of the transfer;

- (j) the fee payable to the CSDR by the client;
- (k) the fee payable to the Authority by the client;
- (l) the words: “SUBJECT TO THE RULES OF CSD AND REGISTRY COMPANY LIMITED”;
- (m) in the case of bonds, LDMs shall indicate accrued interest separately on the contract note.
- (n) client signature and stamp/signature of the LDM.

(2) The accrued interest amount under sub-rule (1) (m) above shall be calculated by reference to the rate specified in the security and the number of days which have elapsed from the last payment date up to the settlement day.

Discretionary
Accounts

24. No CSD Member shall exercise any discretionary authority in respect of a client account unless:

- (a) The client has given prior written authorisation to the LDM and CSD Member to exercise discretion on the account;
- (b) The LDM and CSD Member has accepted the discretionary account in accordance with these Rules;
- (c) The authorisation given to the LDM and CSD Member shall specify the investment objectives of the client with respect to the particular discretionary account;
- (d) Each authorisation or acceptance may be terminated by notice in writing by the LDM and CSD Member or the client, as the case may be;
- (e) Statements of Account shall be sent to all clients having discretionary accounts on a monthly basis within three days of the month end. Statements shall set forth the opening money and securities balance (for individual currencies and securities), movements during the month and the money and securities balance carried forward as at the statement date; and
- (f) Each statement of account sent to a client shall bear a legend - “A FINANCIAL STATEMENT OF THIS LICENSED DEALING MEMBER OR CSD MEMBER IS AVAILABLE FOR YOUR PERSONAL INSPECTION AT OUR OFFICES”.

CSD fees

25. Rules pertaining to all aspects of fees are covered in Fee Structure of these Rules.

Payments to clients

26. The amounts due to a client in respect of a trade shall be paid to the client not later than the next business day following settlement, less any

transaction fees payable to the LDM, Exchange, CSDR, Authority and Fidelity Fund by the client.

Accounting records

27. (1) Every LDM and CSD Member shall maintain complete and accurate records and financial statements to show, where applicable, particulars of-

- (a) all monies received or paid, including monies paid to, or disbursed from a Trust Account;
- (b) its business of transactions in securities including those executed or trade reported on DATS, cleared, settled and deposited in the CSD including details of persons associated with the LDM.

(2) Each LDM and CSD Member shall ensure that records made in accordance with sub-rule (1)(b) above complies with the applicable law and such records together with the following information shall be made available for inspection at any time by the CSD.

- (a) all income received from commissions, interest and other sources and all expenses, commissions and interest paid;
- (b) all assets and liabilities including contingent liabilities;
- (c) all principal securities that are the property of the CSD Member, showing by whom the securities, or the documents of title to the securities, are held and, where they are held by some other person, whether or not they are held as security against loans or advances;
- (d) all agency securities that are not the property of the CSD Member and for which the CSD Member or any nominee controlled by it is accountable, showing by whom, and for whom, the securities or the documents of title to the securities are held and the extent to which they are either held for safe custody or deposited with a third party as security for loans or advances made to the CSD Member;
- (e) all agency securities and monies must be segregated from any principal securities within the CSD Member records, and at the CSD and monies held with any bank; and
- (f) backup records.

Trust Accounts

28. (1) Each LDM and CSD Member shall establish and keep in a bank or banks in Tanzania one or more trust accounts, designated or evidenced as such, into which it shall pay-

- (a) all and only amounts (less any commission and other proper charges) that are received from or on account of any person (other than an CSD Member) for the purchase of securities; and

- (b) all and only amounts (less any commission and other proper charges) that are received for or on account of any person (other than an CSD Member) from the sale of securities and that are not paid to that person or as that person directs not later than the next bank business day following the day on which they were received by the CSD Member.

(2) All amounts received by the CSD Member for or on account of any person and are required by sub-rule (1) of this Rule to be paid into a Trust Account shall be retained in the Trust Account until when-

- (a) paid to the person entitled thereto or as such person directs in writing;
- (b) withdrawn for the purpose of defraying commission and other proper charges;
- (c) paid to the CSD Member monies, to which it is entitled, being monies that were paid into the Trust Account but were not required to be so paid; and
- (d) paid as otherwise authorised by law.

(3) The Trust Accounts shall be designated “clients’ accounts” and shall solely be used to receive monies deposited by clients for the purchase of securities, effect payments for securities transacted and receive monies from the sale of securities.

(4) The Trust Accounts shall not under any circumstances be commingled with any other bank accounts operated by the CSD Member.

(5) The Depository shall have power to inspect the operations and activities of all Trust Accounts maintained by the CSD Member at such intervals as may be determined by the Board.

Annual Accounts

29. Each CSD Member shall submit to the Exchange Annual Accounts audited by auditors registered by the National Board of Accountants and Auditors or equivalent organ recognised by the relevant authorities, within six months following the end of the CSD Member's financial year. The CSD shall determine the financial soundness of its members using the financial statements submitted to the Exchange.

Termination of membership

30. A CSD Member shall cease to be a member under the following circumstances-

- (i) if the body corporate is unable to meet the financial standing requirements of the CSD or the Authority;
- (ii) is wound up;
- (iii) is under receivership;
- (iv) is de-registered;
- (v) is declared unfit to be a Member by a Court order;
- (vi) is delicensed or deregistered by the Authority; or

(vii) ceases to exist for any other reason.

PART IV
DIVISION I
THE CENTRAL SECURITIES DEPOSITORY (CSD)

General provision

Cap.212

31.-(1) The Companies Act requires the DSE to have Rules for appropriate custody of securities deposited into the CSD and further, such Rules are to be approved by the Authority.

(2) The deposit of securities into the CSD is voluntary, except for Issuers applying for an Admission on the List in which case it shall be obliged to deposit all issued and paid securities.

(3) By depositing securities into the CSD, the delivery of the securities in settlement of DSE trades shall be achieved using electronic book entries in the CSD.

(4) The securities deposited into the CSD may be withdrawn, credited into or debited out of CSD securities accounts or pledged by the account holders.

(5) Issuers applying for Admission on the List or applying for deposit and/or dematerialisation of securities issued by them shall also request the issuance of an International Securities Identification Number ("ISIN") from the CSD a subsidiary company of the DSE.

(6) The holding of securities in the CSD account shall be subject to the Confidentiality Rules of the CSD. CSD Members shall be under obligation not to disclose any information on their principal or clients' accounts to third parties without written consent of the Depository or the clients respectively.

(7) The CSD Members, Issuers of securities and clients of CSD Members shall enter into agreements in relation to CSD services in such forms provided under Ninth Schedule.

Definitive Register

32. (1) The CSD shall maintain and continuously update a register of existing securities holders and balance of their holdings in the CSD. The register of holdings of securities kept within CSD shall constitute the authentic and definitive record of the holdings in such securities and shall represent final legal title of ownership. Where any discrepancies exist between an external register of holdings outside the CSD and the CSD Register, the CSD Register shall be definitive.

(2) Securities deposited into the CSD shall be held in custody by the CSD in trust for the beneficial holders in the name of "CSD AND REGISTRY COMPANY LIMITED AS CUSTODIAN".

(3) A transfer of securities into the CSD by a holder shall not convey any transferor's beneficiary interests over the securities deposited. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a depository.

(4) The CSD shall send electronically updated registers of securities holders to Issuers or their Registrar on monthly basis and on request.

(5) To inspect the Registers of Members, interested parties shall contact the Issuer's Registrar and the Register shall be available for public inspection at the Issuers premises or any other premises designated by the Issuer during normal business hours.

Supplementary
criteria applying to
CSD Members

33. (1) In addition to satisfying the requirements Part III of these Rules a CSD Member shall at all times satisfy the following requirements:

- (a) Complete the technical connectivity requirements of the CSD;
- (b) Enter into a standard Tripartite Agreement with the Clearing Bank and the CSD to facilitate settlement in a format issued by the CSD from time to time (sample CSD AGREEMENTS is set out Fourth Schedule;
- (c) Submit an undertaking to comply with the CSD Rules in accordance with Fifth Schedule;
- (d) Pay such entry and annual fees as may be laid down under Part VI of these Rules or as may be set out by the Board from time to time.

(2) All CSD Members shall enter into Agreement(s) with the CSD in respect of their own as well as their clients' securities deposited in the CSD.

(3) No CSD Member shall be admitted to the CSD without obtaining a written approval of the Board.

CSD Accounts

34. (1) CSD Members shall open CSD Accounts for any CSD eligible securities for themselves or their clients. CSD Accounts may contain:

- (a) Securities Admitted on the List;
- (b) Non-listed securities;

(2) Every client wishing to open a CSD Account shall provide required details to the CSD Member by completing and signing a CSD account application form [CSD 1(a) for individuals and CSD 1(b) for legal persons] as shown in Sixth Schedule.

(3) Accounts of LDMs and CSD Members shall contain the following basic information:

- (a) Name, address and code of the CSD Member;
- (b) Nationality;
- (c) CSD account number;
- (d) Banker's address and account number;
- (e) Name(s) of Securities deposited;
- (f) Securities code(s) and ISIN;
- (g) Quantities and description of securities held;
- (h) Amount of securities frozen for any reason;
- (i) Client's reference number;

Timetable of CSD
Events

35. The CSD shall issue a timetable of activities to the market from time to time containing the following information:

- (a) Confirmation of payments from the Clearing Bank to the Depository.
- (b) Start of Day - all CSD activities available.
- (c) END of Day.

Balance Report

36.-(1) On request by an LDM, the CSD shall produce and maintain a balance report on all depository client accounts. The Report shall be in the form of a depository statement which shall contain the following information:

- (a) The name of the account holder;
- (b) The name and quantity of the securities held and any movements over the period requested;
- (c) Any holdings that may have been mortgaged, frozen or charged;
- (d) The securities available for transfer or settlement.

(2) The ledger balance report shall be available to all account holders through the CSD Members on request.

DIVISION II

DEPOSIT OF SECURITIES INTO THE CSD DURING IPOS

Mandatory
Immobilisation after
the IPOS

37. (1) Where an Applicant is undertaking an Initial Public Offer (IPO) to be admitted on the List, all issued securities shall be immobilised from the launch of the IPO. The Issuer's Registrar shall deliver to the CSDR a complete register on the closure of the IPO in the electronic format specified by the Depository. Thereafter, transfers of securities admitted on the List shall be processed through the Depository's CDS.

(2) Investors who subscribe for securities during an IPO shall receive a CSD Receipt evidencing immobilised securities in the CSD.

IPOS and other
Securities Corporate
Actions

38. (1) An Issuer who intends to have securities Admitted on the List shall appoint a CSD Member as receiving agent.

(2) Allotment of securities pursuant to an IPO or a securities corporate action is the responsibility of the Issuer and its agent. All prospective allottees must have a CSD account prior to allotment by the Issuer being effected.

(3) CSD Members shall verify each client's account number to every application form submitted to the Issuers through them for the purpose of facilitating the operation of CSD accounts.

(4) After allotment, the CSD shall issue CSD Receipts (Depository Receipt) to all account holders successful in the allotment through their CSD Members.

39. (1) The client shall deliver securities to the CSD Member together with a transfer form TD 1(a).

(2) The CSD Member shall provide the client with a receipt acknowledging that securities have been received for custody by the operator.

(3) The CSD Member shall verify the securities with the Registrar.

(4) The CSD Member shall lodge the securities together with the signed transfer form [TD 1(a) with the CSD (a)].

(5) The CSD Member shall complete a custody delivery confirmation slip [CSD 2(b)] in duplicate detailing all the documents delivered and present them to the CSD.

(6) The documents to be presented to the CSD with the custody delivery confirmation slip shall include:

- (a) Depository account application form;
- (b) Share Certificates for securities;
- (c) CSD deposit request form [CSD 2(a)] (where certificates are being deposited); and
- (d) Transfer form(s) [TD 1(a)] duly signed and verified.

(7) Upon the receipt of the custody delivery confirmation slip and the required documents, the CSD shall endorse a RECEIPT stamp on the custody delivery confirmation slip and the deposit request form where applicable.

(8) After the RECEIPT stamp has been endorsed by the CSD, the CSD Member shall retain a copy of the custody delivery confirmation slip and CSD deposit request form.

(9) The CSD shall issue a CSD Depository Receipt [CSD 2(c)] in the name of the client whose certificates have been deposited and deliver the CSD Receipt to the client through the CSD Member.

(10) The CSD shall deliver the certificates representing immobilised securities together with the relevant documents to the Registrar who shall issue a Block Certificate in the name of the CSD as CUSTODIAN.

40. (1) On Settlement Day, the CSD shall transfer the ownership of traded securities in the book entry form by debiting the selling clients' CSD account and crediting the buying clients' CSD account with the same volume of the securities traded.

- (a) All transfers shall be undertaken internally through the CSD by electronic book entry transfer, without sending transfer forms to the Registrar.
- (b) The Registrar or the Issuer shall be required to provide the CSD with all dates pertaining to corporate actions.

(2) A mortgage of Securities does not in itself change beneficial ownership and the existing owner shall be entitled to all benefits accruing thereon such as dividends, interests, bonus shares, rights and voting.

DIVISION III WITHDRAWING SECURITIES FROM THE CSD

Withdrawal of
Securities

41. (1) In case of unlisted securities, CSD account holders who have securities deposited by Issuers at the CSD, may, withdraw their securities for custody of their own choice subject to payment of the relevant withdrawal fees under these Rules.

Withdrawal procedure

42. (1) A client who wishes to withdraw securities from a CSD account shall complete and sign a Withdrawal Request Form provided under the Sixth Schedule. A separate Withdrawal Request Form shall be completed for each security to be withdrawn from a CSD account.

(2) The CSD Member shall verify that a client who has completed a Withdrawal Request Form holds the respective securities in the relevant account and in sufficient quantities to cover the volume of securities which are the subject of withdrawal.

(3) Complete Withdrawal Request Forms and respective Transfer of Shares from CSD Custody Forms [TD 1(e)] duly signed shall be delivered by the CSD Member to the CSD before 16.00 hours in order to be effective on the same Business Day.

(4) If there is any error on the Withdrawal Request Form, the CSDR shall inform the CSD Member to effect a correction and re-submission.

(5) Upon receipt of a duly completed Withdrawal Request Form, the CSD shall freeze the portion of securities to be withdrawn within the account.

(6) After freezing the portion of securities to be withdrawn, the CSD shall complete the Transfer Form provided under the Sixth Schedule and present it to the Registrar together with the related Block Certificate.

(7) The Registrar shall within fourteen Business Days issue an adjusted Block Certificate in the name of the CSD less the quantity of securities withdrawn and another certificate for the withdrawn securities in the name of the withdrawing CSD account holder.

(8) The Registrar shall send to the CSD the adjusted Block Certificate and the certificate in the name of the CSD account holder which shall immediately after receipt of the certificates, debit the CSD account of the withdrawing client and present the certificate in the name of the client to the respective CSD Member for onward delivery to the client.

(9) A CSD Member who receives a certificate withdrawn by a client from the CSD shall acknowledge receipt of the certificate by signing a CSD delivery confirmation slip.

(10) Any error or discrepancy in a certificate shall be immediately reported to the CSD by the CSD Member.

DIVISION IV MORTGAGING OF SECURITIES

Mortgaging of
Securities

43. (1) The lender is responsible for the continuous assessment of the quality of collateral value to support a loan.

(2) Only immobilised securities which have been Admitted on the List, may be mortgaged as collateral to a lender by a borrower and shall be recorded through book entry in the CSD by a CSD Member. For the purposes of this Rule, lenders shall only be legal persons.

(3) Securities mortgaged as collateral at the CSD shall not be traded and CSD Members shall inform their clients that while they are so encumbered they shall not be tradable or transferable.

Mortgaging procedure

44. (1) A CSD account holder wishing to mortgage securities deposited in the CSD as collateral shall approach a CSD Member who shall provide a CSD Mortgage Request Form [Form MR 1] and the Mortgage Transfer of Shares Form [TD 1(c)] provided under the Sixth Schedule.

(2) The CSD account holder shall complete and sign the MR1 form in triplicate and sign the Mortgage Transfer of Shares Form [TD 1(c)] and deliver the forms to the lender and obtain the lender's signature.

(3) After obtaining the lender's signature, the borrower shall, through the CSD Member, deliver the forms to the CSD for STAMPING which shall be distributed to both the borrower and lender through the CSD Member.

(4) The CSD shall make entries to the borrower's CSD Account to record the mortgaging of the relevant securities, flagging them accordingly.

Access to Collateral
by the Lender

45. (1) The lender may request the borrower to deposit more securities as collateral in the event that the value of securities pledged reduces.

(2) The lender may seize mortgaged securities deposited in the CSD by submitting a written request to the CSD.

(3) A lender shall, through a CSD Member, submit to the CSD a request to seize the securities mortgaged as collateral which shall consist of:

(a) A Mortgage of Shares Transfer Form [TD 1(c)] duly signed in blank by the borrower;

(b) A CSD Depository Account Application Form (if account does not exist); and

(c) A copy of the Mortgage Request Form.

(4) The CSD shall debit the borrower's CSD account and credit the lender's CSD account.

(5) The CSD Member shall inform the borrower on the seizure of the mortgaged securities.

Mortgage Release

46. (1) To release the collateral, the borrower shall complete and sign the CSDR Mortgage Release Form (Form MR 2) in triplicate and shall deliver the Mortgage Release Forms [MR 2] to the lender for signature before delivering them to the CSDR through the CSD Member.

(2) The CSD Member shall, deliver the Mortgage Release Forms to the CSD together with a copy of the Mortgage Request Form that registered the collateral at the CSD and shall make entries in the CSD to release any specified amount of securities mortgaged as collateral back to the borrower's account.

(3) After the entries have been made, the CSD shall deliver, through the CSD Member, duly stamped copies of the Mortgage Release Forms (MR 2) to the borrower and lender.

DIVISION V SETTLEMENT OF TRADES

Settlement of Trades

47. (1) The buying LDMs shall not post a buy order to buy securities before they have received payment or payment confirmation from their buying clients.

(2) Failure to receive payment or payment confirmation from buying clients shall lead to a failure to settle payments for confirmed trades.

(3) Custodian Banks may settle foreign investors' and domestic institutional investors' trades without transferring the funds to LDMs

(4) Trades executed at the DSE are settled on T+1 for all bonds and T+3 for other securities. Each Trade is settled separately. The CSD System will debit the CSD account of the seller and credit the CSD account of the buyer.

(5) On T, the Depository shall provide the LDMs and CSD Members with the Trade Confirmation Report, showing payment obligations / receipt for each LDM / CSD Member. Each LDM and CSD Member shall carefully review the Trade Confirmation Report to ensure that the details of trades have been captured correctly. Any trading error shall be communicated to the DSE on T. Failure to do so imply acceptance and liability by the LDM and CSD Member.

(6) Each CSD Member shall ensure that sufficient cleared funds are available in their clearing account with the Clearing Bank on Settlement Day prior to Settlement Time. The CSD will provide final settlement obligations

to the Clearing Banks, one day prior to the Settlement Day the net payment / receipts to be effected by the Clearing Bank on behalf of the LDMS and CSD Members. The Clearing Bank shall confirm to the CSDR that the payment instructions have been effected on settlement day.

(7) After receiving confirmation from the Clearing Bank that all payment instructions were successfully completed, within five minutes of receiving such information, on Settlement Day, the CSD shall transfer ownership of securities in its book-entry records by debiting the CSD accounts of the selling clients and crediting the CSD accounts of the buying clients.

(8) Management of the CSD shall have powers to change the settlement time by issuance of a circular to that effect.

Default procedures

(1) “If a CSD Member fails to effect payment for bought securities during Settlement Day, a fine of 10% of the earned commission in respect of the trade shall be imposed on the defaulting CSD Member”.

(2). The defaulting CSD Member shall be suspended for trading and the securities bought shall be frozen until settlement is completed.

DIVISION VI SECURITIES TRANSFERS

General requirements

48. The title to securities whose registers are maintained by the CSD may also be transferred directly within the CSD accounts in the circumstances shown below. In all cases, the CSD shall need the following details, in addition to the specific details shown in each case:

- (a) The details of the securities (i.e., the financial instrument transferred and the financial instrument identification number);
- (b) The CSD Member and whether the necessary Verification process has been undertaken in the CSD;
- (c) The type of transaction;
- (d) The volume;
- (e) The Settlement Day if applicable.
- (f) Client details including name, CSD account number, identity card number or passport number and address;
- (g) Such other particulars as may be required by the central securities depository.

Transfer of Securities
between CSD
Members

49. (1) A client who holds a CSD Account opened through an authorised CSD Member may transfer securities to another authorised CSD Member during business hours. Such transfers will only attract CSD transfer fees in accordance with these Rules.

(2) The transfer procedure shall be as follows:

- (a) A client shall, in writing inform the current CSD Member of the intention to move securities to another CSD Member;
- (b) Where a CSD Member is instructed by a client to transfer securities held in the said CSD Member's account, in favour of another CSD Member without bringing about a change of beneficial ownership, the CSD Member shall process such transfer in the CSD systems without delay, but in any case not later than the close of the business day following the date of the client's instruction, provided that the client's instructions are not in defiance of any provisions of the Agreement between the CSD Member and the client
- (c) Where the CSD Member refuses or neglects to authorise the transfer of securities as instructed by the client, the client shall, through the CSD Member, request the Depository to effect the transfer and the Depository shall transfer securities without delay.

Private Transfers

50. (1) Private transfers may be requested by Client Depository Account holders subject to payment in advance of the relevant fees under these Rules. Private transfers shall include the following:

- (a) gifts to parties authorised by law to receive such gifts such as charities and philanthropic legal persons;
- (b) gifts to close relatives which shall include spouses, children, parents and grandparents as duly recognised by law;
- (c) transfers happening by operation of law;
- (d) transfers on account of administration of deceased's estates;
- (e) corporate action transfers, in event of restructuring where there is no transfer of beneficial interests.

(2) All Private Transfers, shall be approved by the Depository upon receiving an application from the CSD Member.

(3) Non-members of the CSD shall be required to submit such transactions to the CSD Member in the capacity as a client of the CSD Member.

(4) The transfer of financial instruments by title of donation or gift need not be put through the market provided that the following conditions are fulfilled:

- (a) The relationship between the donor and donee both in the indirect and collateral line should not extend beyond the first degree or it is to parties authorised by law to receive such gifts such as charities and philanthropic legal persons;
- (b) The donation is finalised by a public deed or private writing;
- (c) An authenticated copy of the said instrument drawn up in terms of law is forwarded to the CSD for registration;

- (d) In the case where the transfer document is not subject to stamp duty, the transferee will have to justify the reason for not paying the stamp duty.

DIVISION VII

CORPORATE ACTIONS: MERGER AND DIVISION OF HOLDINGS

Merger of holdings
between spouses

51. Where a holder of securities and his/her spouse wishes to merge holdings which have been registered individually in separate accounts, the transfer into a joint account shall be effected upon the written instructions of both parties and upon the production of the relevant authenticated documents.

Division of holdings
between joint holders

52. Where joint holders securities in a joint account wish to divide such holdings into separate accounts, the transfers into the individual accounts can be effected upon the written instructions of both parties.

Securities collateral,
repurchase or lending

53. Securities that form the object of any securities collateral, repurchase or lending agreement or any undertaking may be transferred by the CSD Member under the terms of applicable covenants that may be submitted.

Corporate actions
processing

54. The CSD shall provide a number of corporate services to Issuers for as long as a register of securities is maintained by CSD.

Dividend/Interest
Payments

55.-(1) When dividend or interest payments are due, the CSD will either provide the register of securities holders to the Issuer's Registrar or will carry out the necessary processing including:

- (a) Identification of holders to whom dividend/interest payment is due on the record date;
- (b) Calculate payments due; and
- (c) Printing of cheques and/or direct credit processing.

(2) The CSD shall forward the printed instrument or direct credit details to the Issuer in bulk. The Issuer shall be responsible for reconciling dividend warrants and interest payments and for signing off and dispatching the warrants and/or instructions.

(3) As part of the dividend/interest payment procedures, the CSD shall also provide the following reports:

- (a) "Payments Withheld" due to Garnishee Orders or other grounds, and
- (b) "Payment Details" in electronic format to facilitate the reconciliation process.

(4) Direct credit facilities may cater for interest or dividend payments to be credited into the designated securities account holders' money accounts held with banks, credit or other financial institutions. Such facilities may be

made available on all registered securities holdings maintained by the CSD. Direct credit facilities are issued in conformity with electronic file formats as agreed to with such banks or institutions.

Redemptions

56. Upon maturity of a fixed term security, the CSD shall identify the relevant holders of the security, process and prepare the redemption cheques as agreed to with the Issuer, saving any outstanding unresolved estate or continuing blocked accounts. The Issuer shall be responsible for the reconciliation and mailing of the relevant redemption funds as well as for the final resolution of unresolved estates and blocked accounts.

Rights and Bonus Issues

57. (1) As agreed with the Issuer, the CSD may undertake all processes on behalf of the Issuer in connection with rights and bonus issues.

(2) Upon allotment of the rights issue or bonus shares, the Registrar, irrespective of, whether the CSD or any other person is appointed by the Issuer to provide this service, shall supply the CSD with all the relevant information to enable the latter to amend the relevant register of holders on behalf of the Issuer to reflect the new allotment of securities.

Bonds

58. In respect of the clearing and settlement of Government of Tanzania securities Admitted on the List, the Bank of Tanzania CSD shall effect a book entry by debiting the bonds account and crediting the buyers account with the exact volume of securities traded on the basis of instructions from the BOT's CSD at the CSD.

DIVISION VIII

DEPOSIT OF NON-LISTED SECURITIES IN THE CSD

Application to deposit Non-Listed Securities

59. (1) An application to deposit non-listed securities in the CSD shall be made to the Depository in the form shown in the Seventh Schedule.

(2) The Depository shall place before the Board an Application to deposit non-listed securities in the CSD as well as CSD's management internal recommendations in respect thereof, for the decision of the Board.

(3) The Board shall endeavour to determine whether to accept or reject an Application from the date of delivery of a complete Application.

Documents to be submitted with an application to deposit Non-Listed Securities

60. The following documents should be submitted to the Depository together with an application to deposit non-listed securities:

- (a) A letter from the Issuer's Counsel confirming that the applicant is duly constituted;
- (b) A letter from the Issuer's Company Secretary or other Issuer's legal representative, as duly authorised by the Company's Board of Directors or the Issuer's policy or decision-taking body or authority, declaring that the register of holders of

securities forming subject of the Application, delivered in the format acceptable to the CSD in support of the Application, is complete in all respects in terms of law as at the date of the Application.

- (c) A letter from the CSD Member confirming that the applicant shall comply with the CSD Rules and conditions that the Board shall deem appropriate in a form set out under the Fifth Schedule and Sixth Schedule;
- (d) Ten copies of the applicant's memorandum and articles of association (and of any alterations which are proposed to be made to them prior to public issue);
- (e) A copy of an approval from the Authority allowing the Issuer to issue shares to the public, if appropriate;
- (f) A CD/USB key or other electronic media with a copy of all of the above documents in electronic form; and
- (g) The application fee.

Basic conditions to be fulfilled by an Applicant

61. (1) An applicant for depositing non-listed securities in the CSD must comply with the following requirements:

- (a) Issuer to be duly constituted - the Issuer must be duly incorporated as a public company under the laws of Tanzania;
- (b) Status of the Non-Listed Securities; and
- (c) The securities for which an Application to deposit in the CSD is sought must be issued in conformity with the laws of Tanzania.

(2) An applicant depositing non-listed securities at the CSD shall pay the application and annual CSD fees as shown under First Schedule or as may be prescribed by the Board from time to time.

PART VI FEES

Purpose of Fees

62. (1) All Members must pay all fees and costs.

(2) The Depository may waive all or part of fees and costs, provided it continues to treat all Members equally.

(3) Unregulated services provided by the Depository are not covered by these Rules and may attract fees and costs as agreed between the Depository and its clients from time to time.

CSD Fees

63. These Rules shall govern the fees provided under the First Schedule to these Rules.

Invoicing method

64. (1) All invoices from the CSD shall be issued to customers in paper form to a specific point of contact agreed between the CSD and each customer, unless as otherwise prescribed by the CSD from time to time.

(2) The CSD shall issue all invoices as required or within 10 days of the month end when the invoice falls due.

Invoicing date

65. CSD fees are invoiced on the following dates:

(a) Application Fees - on application.

(b) Initial membership/depository fees - on joining.

(c) Annual membership/listing fees - annually on 1st January.

(d) Transaction fees - at the end of each month.

(e) Other services - at the end of each month, quarter or as incurred, as specified for the particular service.

CSD standard terms and conditions

66. (1) All fees are non-refundable.

(2) Without prejudice to what is provided under sub-rule (1), CSD shall forfeit fees paid in advance the purpose of which has not materialised twelve (12) months from the date of payment.

(3) All fees are payable electronically directly in the currency specified, to the CSD's bank account as contained on its invoices from time to time. Invoices within Tanzania shall be paid via the Tanzania Inter Bank Settlement System (TISS). International invoices shall be paid via SWIFT.

(4) Payments by CSD customers from abroad shall include all international bank charges.

(5) Payment terms are:

(a) Cleared funds in advance for all Application Fees; or

(b) 30 days in arrears.

(6) The CSD shall be entitled to charge a late payment fee for all invoices which are outstanding in cleared funds at the required payment date, at a monthly interest of 2% above the Bank of Tanzania monthly average

lending rate, charged for the whole period up until the period when full payment of such sums are received, irrespective of whether invoices are paid late for part or whole period.

CSD Member Fees

67. (1) CSD Member must advise their clients as to all the commission rates and other charges to be applied to transactions carried out on the client's behalf before the business is accepted.

(2) All fees payable by a CSD Member in respect of transactions in marketable securities shall be charged by the CSD and paid by the CSD Member, not passed on to the client. The amount deductible from payment to the client under this Rule due to the Depository and the Authority shall be remitted directly to the Depository and Authority by the CSD Member at the end of each month.

(3) CSD Member shall advise their clients as to the indicative rate of commission which has been approved by the Authority.

(4) All charges and commissions levied shall be as shown on the Contract Note.

(5) All bank charges or expenses incurred on behalf of clients shall be borne by the clients concerned.

(6) Where an Issuer is effecting a public issue through a new issue, rights, offer for sale, placing of tender, and CSD Member is appointed a sponsoring Member, such Member shall be paid a fee, not being brokerage, as may be negotiated between the parties concerned.

(7) Every Member shall pay the fees due under these Rules.

**PART VII
GENERAL PROVISIONS**

Intellectual
Property

68. (1) All data entered on the CSD, including Trades and any other transaction (i.e., including but not limited to indices), shall belong at all times to the CSD as its intellectual property.

(2) Consequently, any use thereof outside the CSD shall at all times require the prior written approval and consent of CSD, subject to such fees, terms and conditions that the CSD may in its discretion impose.

Amendment or
suspension of the
Rules Book

69. These Rules may be suspended or amended where the DSE Board so agree and provided that notice of such suspension or amendment is contained in the notice calling the relevant Board meeting. Provided that any such suspension or amendment shall not take effect prior to the Authority's endorsement.

Liability

70. The CSD shall not be liable directly or indirectly for omissions or acts done in good faith in the administration or implementation of these Rules.

Effective date

71. These Rules shall come into operation on the date of approval by the Capital Markets and Securities Authority.

FIRST SCHEDULE

THE CSD FEE STRUCTURE AS APPROVED BY THE AUTHORITY

[Made under Rules 10 (5), 25 and 63]

1. Membership Application Fee

1.1	Licensed Dealing Members (LDMs), Custodian Banks, Clearing Bank, Registrar and Others	2,000,000
1.2	Nominated Advisors (NOMAD)	1,000,000

2. Annual Membership Fee

1.1	Licensed Dealing Members (LDMs), Custodian Banks, Clearing Bank, Registrar and Others	1,000,000
1.2	Nominated Advisors (NOMAD)	500,000

3. Annual Service Fee for maintenance of Companies Registers

3.1 Main Investment Market Segment (MIMS)

SN	Average Market Capitalization	Annual Maintenance TZS	Additional Listing TZS
3.1.1	Not exceeding TZS 6.5 bln	4,000,000	2,000,000
3.1.2	More than TZS 6.5 bln but not exceeding TZS 16 bln	6,000,000	3,000,000
3.1.3	More than TZS 16 bln but not exceeding TZS 26 bln	7,000,000	3,500,000
3.1.4	More than TZS 26 bln but not exceeding TZS 65 bln	8,000,000	4,000,000
3.1.5	More than TZS 65 bln but not exceeding TZS 200 bln	9,000,000	4,500,000
3.1.6	More than TZS 200 bln but not exceeding TZS 500 bln	11,000,000	5,500,000
3.1.7	More than TZS 500 bln	15,000,000	7,500,000

3.2 Enterprise Growth Market (EGM)

SN	Average Market Capitalization	Annual Maintenance TZS	Additional Listing TZS
3.2.1	Not exceeding TZS 3.5 bln	1,000,000	800,000
3.2.2	More than TZS 3.5 bln but not exceeding TZS 6.5 bln	2,000,000	1,000,000
3.2.3	More than TZS 6.5 bln but not exceeding TZS 16 bln	3,000,000	1,300,000
3.2.4	More than TZS 16 bln but not exceeding TZS 26 bln	3,500,000	1,600,000
3.2.5	More than TZS 26 bln but not exceeding TZS 65 bln	4,000,000	1,900,000
3.2.6	More than TZS 65 bln but not exceeding TZS 200 bln	4,500,000	2,200,000
3.2.7	More than TZS 200 bln	6,000,000	2,800,000

4. Transactions Fee

SN	Category	MIMS / EGM
4.1	Standard Secondary Market Transaction Fee – EQUITY (value based)	0.06%
4.2	Standard Secondary Market Transaction Fee – BONDS (value based)	0.015%
4.3	Custody Fee	1,000
4.4	Consolidation of CSD Accounts and Depository Receipts	1,000
4.5	Amendments	1,000
4.6	Private Transfers	2,000
4.7	Replacement of Depository Receipts (Re-issue)	2,000
4.8	Change of LDM by CSD Account Holder	2,000
4.9	Mortgage and Release of Mortgage	10,000

5. IPO Processing Fee

SN	Category	MIMS	EGM
6.1	Verification, Validation and Uploading of Shareholders Register to the CSD	0.5% of Market Capitalization subject to: Minimum TZS 2,000,000 Maximum TZS 10,000,000	0.25% of Market Capitalization subject to: Minimum TZS 1,000,000 Maximum TZS 5,000,000
6.2	Printing Depository Receipts	TZS 1,000 per Dep. Receipt	TZS 1,000 per Dep. Receipt

6. Other Transactions Fees

7.1	Statements	5,000
7.2	Third Party Audit Confirmation Statement (External Auditor)	100,000
7.3	SMS alert services	200
7.4	Custodian Banks Transactions (paid once per annum to cover transactions fees)	1,000,000

7. Penalties

8.1	Late Trade Commitment (on Settlement Date)	0.01% of the Transaction Value
-----	--------------------------------------------	--------------------------------

SECOND SCHEDULE

SAMPLE BANK GUARANTEE REQUIRED FROM LDMs AND CUSTODIANS

[Made under Rules 11 (2)]

(On Relevant Guarantor Bank's Letterhead)

(Date)

The Managing Director,
Central Securities Depository & Registry Company Limited,
Floor 14, Golden Jubilee Tower,
Ohio Street,
Dar Es Salaam
Tanzania

Dear Sir/Madam

BANK GUARANTEE in terms of CSD Rules

Whereas [insert here the name of the Applicant to CSD Membership], hereinafter the "CSD Applicant Member", having its registered office at[insert here the CSD Applicant Member's Registered Office address in Tanzania] has been approved in principle by the Board of Central Securities Depository & Registry Company Limited (hereinafter the "CSD") as a CSD Member [delete as appropriate] to effect trades and clear and settle transactions on Central Securities Depository or to provide custodial services and otherwise operate on the CSD in its aforesaid capacity of a CSD Member.

Whereas the CSD has agreed to admit the CSD Applicant Member subject to furnishing the CSD with a TZS 50 Million Bank Guarantee;

And whereas the CSD Applicant Member has applied to this _____ Bank [insert here the name of the Guarantor Bank providing the Guarantee], hereinafter referred to as the "Guarantor Bank"

NOW THEREFORE

The Guarantor Bank issues this irrevocable guarantee in favour of CSD on terms and conditions indicated below and in compliance with the CSD Rules.

1. This financial guarantee shall have validity and effect from the date of issue up to the date the CSD Applicant Member ceases to be a CSD Member.
2. This financial guarantee shall cover defalcation, loss to clients whose accounts are held through the CSD Applicant Member as a Custodian, or non-compliance with the financial obligations owed by the CSD Applicant Member under the CSD Rules.
3. The Guarantor Bank shall be liable not only for the CSD Applicant Member's financial obligations towards its clients, but also for any other financial obligation that may subsequently arise under the CSD Rules from this Guarantee.

4. The Guarantor Bank irrevocably guarantees and undertakes to pay immediately on first demand by CSD, waiving all rights of objection and defence, without examination of the underlying transaction/s, any amount up to a maximum of TZS 50 million (Tanzania Shillings Fifty Million only) without any reservation, protest, demur and recourse. Any such demand made by the CSD shall be conclusive and binding on the Guarantor Bank irrespective of any dispute or difference raised.
5. This Guarantee is exclusive to the CSD, is not assignable and is governed and construed by Tanzanian law

In witness whereof the Guarantor Bank, through its authorized officer/s has set its hand and stamp on thisday of..... 20..... at Dar Es Salaam, Tanzania

Name:

Signature:.....

Designation.....

Bank's Common Seal

WITNESS

Name:

Signature:.....

Designation.....

Applicant Member Common Seal

THIRD SCHEDULE

TRADING SESSIONS

(Made under Rule 2)

Phase	Timing
Phase 1: Pre-Opening:	As defined in circulars issued by the DSE
Phase 2: Open-Auction	For 30 minutes after the pre-open
Phase 3: Continuous trading	For three and a half hours after the Open-Auction
Phase 4: Close	Four hours after the Open-Auction

FOURTH SCHEDULE

AN AGREEMENT BETWEEN DSE, CSDR, LDM AND A CLEARING BANK

[Made under Rule 33 (1)]

This Agreement is made this day of 20.....

Between

The Central Securities Depository & Registry Company Limited of P.O. Box 70081, Dar es Salaam (hereinafter referred to as "the CSDR") of the first part,

and

[INSERT LDM NAME] (hereinafter referred to as "the Licensed Dealing Member") of the second part

and

[Clearing Bank Name] PLC of P.O BOX [], DAR ES SALAAM (hereinafter referred to as "the Clearing Bank) of the third part.

WHEREAS the DSE provides facilities at which securities are traded by Licensed Dealing Members on behalf of their clients;

AND WHEREAS the Licensed Dealing Members is guided and regulated by Clearing, Settlement and Depository Rules of the CSDR;

AND WHEREAS these Rules of the DSE and CSDR strictly require the buying Licensed Dealing Member not to execute any trade at the DSE before making sure that the money paid by a buying client have been cleared in the Trust Account;

AND WHEREAS the Licensed Dealing Member has engaged the Clearing Bank for assisting in the process of clearing and settlement of trades executed at the DSE and settles in the CSDR;

AND WHEREAS the Clearing Bank is willing to undertake the job of settlement of trades executed at the DSE and settles in the CSDR on behalf of the Licensed Dealing Member as envisaged on the terms and conditions mutually agreed upon and the parties hereto are desirous of entering into an agreement to record the terms and conditions so agreed upon.

NOW THEREFORE in consideration of the CSDR, the Licensed Dealing Member and the Clearing Bank having agreed to provide mutually agreed services, all the parties to this Agreement hereby covenant and agree as follows:

1. THAT the Clearing Bank undertakes to facilitate settlement of securities transactions executed by the Licensed Dealing Member at the DSE and settles in the CSDR.
2. THAT the Clearing Bank agrees to comply with the Clearing and Settlement Rules of the CSDR which provides that settlement of trades involves delivery of securities against receipt of payment.
3. THAT the Clearing Bank further undertakes to ensure that trades executed at the DSE are settled in CSDR on a (T+) settlement cycle where "T" is the transaction date.

4. THAT Clearing Bank shall maintain a current account at the Bank of Tanzania for the purposes of settling transactions executed at the DSE and settles in CSDR.
5. THAT the Clearing Bank undertakes to use only Bank of Tanzania cheques in settling all securities transactions executed at the DSE and settles in CSDR.
6. THAT after closure of every trading session at the DSE, the CSDR will prepare and transmit a Trade Confirmation Report to the Licensed Dealing Member the very day for necessary corrections.
7. THAT the Licensed Dealing Member shall carefully review the Trade Confirmation Report to ensure that the details of trades have been captured correctly and corrections (if any) to be communicated to the DSE and CSDR the next business day following execution of the trade.
8. THAT the DSE shall send a Confirmed Trade Confirmation Report to the Clearing Bank on the second day following execution of a trade (T+).
9. THAT the said Confirmation Report shall clearly show the net amounts owed between Clearing Banks of each of the Licensed Dealing Members.
10. THAT at 09.00 hours on (T+), the CSDR shall instruct the Clearing Bank to effect payment transfers to other Clearing Banks for the net amounts owed to other Licensed Dealing Members as per the respective Trade Confirmation Report.
11. THAT the Clearing Bank shall, at 11.00 hours on the settlement day (T+) after trade execution at the DSE effect payment transfers as per instructions of the CSDR mentioned in clause 10 of this Agreement.
12. THAT the Clearing Bank shall receive payment in favour of the Licensed Dealing Member for transfers effected by other Clearing Banks pursuant to instructions of the CSDR in settlement of trades executed at the DSE.
13. THAT at 11.00 hours, the CSDR shall transfer ownership of securities in its book-entry records by debiting the CDS accounts of the selling clients and crediting the CDS accounts of the buying clients according to the respective Trade Confirmation Report.
14. THAT at 15.00 hours on settlement date (T+) the CSDR and the Licensed Dealing Member will be informed by the Clearing Bank of the money movements that have taken place based on the instructions provided by the CSDR.
15. THAT in discharging its obligations under this Agreement, the Clearing Bank, shall not be deemed to be an agent of the CSDR and the CSDR shall not be responsible for any act of omission or commission of the Bank, save and except for the obligations provided under this Agreement.
16. THAT neither of the parties to this Agreement shall attempt to enforce by law any claim against the other part, arising out of or in connection with CDS operations without having exhausted the Arbitration process of the Exchange.
17. THAT the parties to this Agreement further agree that all claims, differences and disputes arising out of this Agreement, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.
18. THAT either part hereto may terminate this Agreement by giving notice in writing to other parties in not less than 21 days in any of the following events:
 - I. if the Licensed Dealing Member shall cease to maintain a Trust Account with the Clearing Bank; and
 - II. if the Licensed Dealing Member's operations at the CSDR shall be suspended.

IN WITNESS WHEREOF the Central Securities Depository and Registry Company Limited., [INSERT LDM NAME] and the CRDB Bank PLC have caused these presents to be executed as of the day and year first above written.

SIGNED and DELIVERED

for and on behalf of the said _____

CSD & REGISTRY COMPANY LIMITED

This day of, 20

NAME:

ADDRESS:

DESIGNATION: MANAGING DIRECTOR

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS:

DESIGNATION: COMPANY SECRETARY / ADVOCATE

SIGNED and DELIVERED

for and on behalf of the said _____

LDM NAME

This day of, 20

NAME:

ADDRESS: P.O. BOX

DESIGNATION:

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS: P.O. BOX

DESIGNATION:

SIGNED and DELIVERED

for and on behalf of the said _____

Clearing Bank Name PLC

This day of, 20

NAME:

ADDRESS: P.O. BOX []

DAR ES SALAAM

DESIGNATION:

In the Presence of (WITNESS)

NAME:

SIGNATURE: _____

ADDRESS: P.O. BOX []

DAR ES SALAAM

DESIGNATION:

FIFTH SCHEDULE

LETTER OF UNDERTAKING TO COMPLY WITH CSD RULES

[Made under Rules 33 (1)]

The Managing Director
CSD & Registry Co. Ltd,
P.O. Box 70081
DAR ES SALAAM

.....

(Name of Company)

In consideration of the CSD & REGISTRY COMPANY LIMITED (“the CSD”) allowing the Company’s to deposit non-listed securities described in the Company’s form of Application **HEREBY UNDERTAKE AND AGREE** to comply with the continuing obligations of having the securities in the CSD set out in the Annex to this Undertaking, as amended or supplemented from time to time by the CSD Rules of the CSDR.

The above Undertaking has been signed by us;

As Director - [insert name]:

Secretary [Name]

Pursuant to authority granted to us by Resolution of the Board of Directors of the Company on

Date

Signature

Signature

.....
.....
.....
.....
.....
.....
Director
.....
.....
Director
.....

SIXTH SCHEDULE
CENTRAL SECURITIES DEPOSITORY FORMS

[Made under Rules 34, 39, 43 and 44]

TD (I)

CSD AND REGISTRY COMPANY LIMITED

Purchase Transfer Form

Treasury and Corporate Bonds

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the account of the "Transferee(s)" held at the Central Depository of the CSD and Registry Company Limited named in the adjoining "Purchase Transfer Form" the bonds specified below from the account of the Transferor(s) subject to the several conditions on which the bonds are now being held

1.	DSE Trading Slip No.	
2.	Transaction Date	
3.	Consideration (Price * Amount)	
4.	LDM Codes:	
	Selling LDM Code	
	Buying LDM Code	
5.	Buyer's Particulars	
	Name	
	Address	
	Nationality	
	Bank & A/c No.	
	CSD A/c No.	
6.	Bond Details	
	Issue No.	
	Issue Date	
	Maturity Date	
	Face Value	
	Denominations required	500,000 1,000,000 5,000,000 10,000,000 50,000,000 100,000,000 500,000,000 1,000,000,000

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

Buyer's Signature

Broker's Official Stamp & Signature

Date Documents Delivered at CSDR

CSDR Transfer Approval Stamp

Date Documents Received by Registrar

Registrar Stamp & Signature

For the purpose of effective transfer of ownership the transfer form will be considered complete only if both sale and purchase transfer forms are received by the Registrar / (CDS).

TD (h)

CSD AND REGISTRY COMPANY LIMITED

Sale Transfer Form

Treasury and Corporate Bonds

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the account of the "Transferee(s)" held at the Central Depository of the CSD and Registry Company Limited named in the adjoining "Purchase Transfer Form" the bonds specified below from the account of the Transferor(s) subject to the several conditions on which the bonds are now being held

1.	DSE Trading Slip No.	
2.	Transaction Date	
3.	Consideration (Price * Amount)	
4.	LDM Codes:	
	Selling LDM Code	
	Buying LDM Code	
5.	Buyer's Particulars	
	Name	
	Address	
	Nationality	
	Bank & A/c No.	
	CSD A/c No.	
6.	Bond Details	
	Issue No.	
	Issue Date	
	Maturity Date	
	Face Value	
	Denominations required	500,000 1,000,000 5,000,000 10,000,000 50,000,000 100,000,000 500,000,000 1,000,000,000

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

Seller's Signature

Broker's Official Stamp & Signature

Date Documents Delivered at CSDR

CSDR Transfer Approval Stamp

Date Documents Received by Registrar

Registrar Stamp & Signature

For the purpose of effective transfer of ownership the transfer form will be considered complete only if both sale and purchase transfer forms are received by the Registrar / (CDS).

CNP

CSD MEMBER OF THE CSD AND REGISTRY COMPANY LIMITED
CONTRACT NOTE
PURCHASE

Please use **CAPITAL LETTERS**

Contract No:

CSDR Trading Slip No.	Trade Date:	Settlement Date:
Name of Client:		
Address - PO Box etc		
Client's Ref: Account No.		
Security		
Quantity		
Price per Share TZS		
Consideration (TZS) - Quantity * Price		
Add		
Brokerage Commission @ %		
Transaction Fee @ %		
Fidelity Fee @ %		
Stamp Duty @ %		
CDS Fee		
Total Charges (TZS)		
	TOTAL CONSIDERATION:	

Signature of Client

Stamp & Signature of LDM

Subject to these Rules of the DSE

MEMBER OF THE CSD AND REGISTRY COMPANY LIMITED

CONTRACT NOTE

SALEPlease use **CAPITAL LETTERS****Contract No:**

CSDR Trading Slip No.	Trade Date:	Settlement Date:
Name of Client:		
Address - PO Box etc		
Client's Ref: Account No.		
Security		
Quantity		
Price per Share TZS		
Consideration (TZS) - Quantity * Price		
Add		
Brokerage Commission @ %		
Transaction Fee @ %		
Fidelity Fee @ %		
Stamp Duty @ %		
CDS Fee		
Total Charges (TZS)		
	TOTAL CONSIDERATION:	

Signature of Client	Stamp & Signature of LDM
---------------------	--------------------------

Subject to these Rules of the CSDR

DSE 2 (A)

MEMBER OF THE CSD AND REGISTRY COMPANY LIMITED
CDS DEPOSIT REQUEST FORM

Please use Capital Letters

.					
Name of Client.	Client Reference	Security	No. of Securities	Certificate No.	Purpose of Deposit

Stamp and Authorised Signatory of the authorised CSD operator

Stamp & Signature of the CSDR

Original: CSDR

Copy: LDM

DSE 2 (c)

MEMBER OF THE CSD AND REGISTRY COMPANY LIMITED
CSD WITHDRAWAL REQUEST FORM

Please use **CAPITAL LETTERS**

Name of Client:.	
Client's Ref:	
Security	Quantity
TOTAL	

**Stamp and Authorised Signatory of the authorised
CSD operator**

Stamp & Signature of the CSDR

FOR CSDR USE ONLY:

CLIENT'S CDS A/C NO	
SIGNATURE AND STAMP OF CSDR OFFICIAL:	
DATE	
Original: CSDR Copy: Authorised CSDR operator	

CSD AND REGISTRY COMPANY LIMITED
TRANSFER FOR SHARES FROM CSDR CUSTODY FORM

PLEASE USE BLOCK CAPITALS

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the "Transferee(s)" named herein the securities specified below subject to several conditions on which the shares are now being held.

1.	FULL name of security		
2.	Certificate Number		
3.	Number and full description of securities and denomination of units	FIGURES	WORDS
4.			
	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full	THE CSD AND REGISTRY COMPANY LIMITED AS A CUSTODIAN P.O. BOX 70081 DAR ES SALAAM	
5.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
	Bank & A/c No.		
	CSD A/c No.		
6.	CONSIDERATION.....	""CENTRAL DEPOSITORY CUSTODY WITHDRAWAL"	

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name
 Witness Signature
 Address of Witness

Description

Witness Name
 Witness Signature
 Address of Witness

Description
 Subject to these Rules of the CSDR

MR 1 - MORTGAGE REQUEST FORM

PLEASE USE CAPITAL LETTERS

Borrower's Authorised CDS Member ID [insert name / number]:

.....

CDS CLIENT ACCOUNT NUMBER

.....

LENDER

.....

Date

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Borrower's Signature

.....

Director

.....

Stamp and Authorised Signature of Lender

.....

Director

.....

Distribution:

Original - CSDR

1 Copy - Borrower

1 Copy - Lender

Subject to these Rules of the CSDR

.....

MR 2 - MORTGAGE RELEASE FORM

PLEASE USE CAPITAL LETTERS

Borrower's Authorised CDS Member ID [insert name / number]:

.....

CDS CLIENT ACCOUNT NUMBER

.....

LENDER

.....

Date

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Security Name / Short Name / Quantity

.....

Borrower's Signature

.....

Director

.....

Stamp and Authorised Signature of Lender

.....

Director

.....

.....

Distribution:

Original - CSDR

1 Copy - Borrower

1 Copy - Lender

Subject to these Rules of the CSDR

.....

TD 1 (c) - MORTGAGE OF SHARES TRANSFER FORM

PLEASE USE CAPITAL LETTERS

1.	FULL name of security		
2.	Depository Receipt No.		
3.	Number and full description of securities and denomination of units	FIGURES	WORDS
4.			
	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
5.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
6.	CONSIDERATION.....		

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

Witness Name

.....

Witness Signature

.....

Address of Witness

.....

Description

.....

PRIVATE TRANSFER OF SHARES FORM

TD 1 (a)

PLEASE USE BLOCK CAPITALS

FOR THE CONSIDERATION stated below the "Transferor(s)" named herein do hereby transfer to the "Transferee(s)" named herein the securities specified below subject to several conditions on which the shares are now being held.

	FULL name of security		
1.	Number and full description of securities and denomination of units	FIGURES	WORDS
2.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full		
3.	TRANSFER FROM Transferor(s) Name (s) and Address (es) in full	THE CSD AND REGISTRY COMPANY LIMITED AS A CUSTODIAN P.O. BOX 70081 DAR ES SALAAM	
4.	CONSIDERATION.....	"CENTRAL DEPOSITORY CUSTODY"	

SIGNED SELAED AND DELIVERED by the parties to this day of 20.....

In the presence of

Witness Name
 Witness Signature
 Address of Witness

Description

Witness Name
 Witness Signature
 Address of Witness
 Description

Subject to these Rules of the CSDR

NOTE: THIS TRANSFER DOES NOT CONVEY ANY TRANSFEROR'S BENEFICIARY INTERESTS OVER THE SECURITIES DEPOSITED AT THE CENTRAL DEPOSITORY SYSTEM OF THE TRANSFEREE.

SEVENTH SCHEDULE

**APPLICATION TO DEPOSIT NON-LISTED SECURITIES AT THE CENTRAL
SECURITIES DEPOSITORY**

[Made under Rule 59 (1)]

Name of Company:

Hereby applies to deposit the following securities at
the Central Securities Depository (hereinafter called
“the CSD”);

The Company was established in (country)

Under (Law)

On date:

Issued with incorporation certificate number (if any)

Address of the registered office

Address of each office at which a Shareholders’
Register is kept

AUTHORISED CAPITAL

(show separately the number and denomination of
each class of shares)

ISSUED CAPITAL

(show separately any different classes of shares, the
amount paid up on each class, and the dividend and
voting rights attaching to each class)

Full list of shareholders and their holdings as at the
date of application.

BUSINESS

(State the main business, the main products produced
or service performed)

SUBSIDIARIES AND ASSOCIATES

(Give a list of all subsidiaries stating in each case, the
name, nature of business and percentage holding.
Similar details should be provided for every other
company in which the Issuer holds more than ten
percent of the ordinary share capital).

OFFICES

(List Directors and the Secretary)

ACCOMPANYING DOCUMENTS

1. Evidence of approval by the Capital Markets and Securities Authority to issue securities to the public.
2. Memorandum and Articles of Association and Certificate of incorporation.
3. Letter of Undertaking.
4. Application Fees and Annual CSD Fees.
5. Business License

The Common Seal of the Company is hereunto affixed
in the presence of:

Director

Director/Secretary

Date

EIGHTH SCHEDULE

CONTINUING OBLIGATIONS FOR NON-LISTED SECURITIES HELD IN THE CSD

[Referred to under Rule 60 (c)]

1. The Company shall advise the CSD by written statement delivered by hand or Fax transmission in accordance with the CSD procedures immediately a decision has been taken on any of the following matters:
 - I. Particulars of any of new capital whether to be issued as capitalization or by way of rights to shareholders.
 - II. Any changes in the Directors, the Secretary, Auditors and Legal Advisors.
2. The Company shall forward to the CSD as soon as issued 3 copies of all Resolutions increasing the capital, changes to articles of association and all notices relating to further issues of capital.
3. The Company shall pay application fee prior to approval being granted in respect of every application to deposit in the CSD shares issued as a result of a bonus, rights or other issues by the Company.
4. The Company agrees to pay an annual CSD fee as shall be laid down by the Board on 1st July, of every calendar year.
5. The Company agrees to recognise and register only those transfers of the securities held in the custody of the CSD where the transactions have gone through one of the CSD Members of the CSDR.
6. The Company agrees in relation to its issued securities held in the custody of the CSD: -
 - I. To maintain its register of shareholders in the CSD in accordance with the CSDR Rules as maybe amended from time to time by the Board;
 - II. To provide the rights and benefits of shareholders in the Company, as set out in the Memorandum and Articles of the Company to all those who are recorded in the Central Depository System as the beneficial owners of shares in the Company.

NINTH SCHEDULE

CSD AGREEMENTS

[Made under Rule 31 (7)]

AGREEMENT BETWEEN A CSD MEMBER (CUSTODIAN BANK) AND THE CSD AND REGISRY COMPANY LIMITED (CSDR) RELATING TO DEPOSITORY OPERATIONS

CSD Agreement made this day of, 20.....

between

..... of P. O. Box, Dar es Salaam
(hereinafter called “the CSD Member”) of the one part

and

The CSD & REGISTRY CO. LTD of P.O. Box 70081, Dar es Salaam
(hereinafter called “the CSDR”) of the other part.

WHEREAS the CSDR has a CSD in which securities are to be deposited by clients through CSD Member.

AND WHEREAS has furnished, to the CSDR an application for being admitted as a CSD Member.

AND WHEREAS the CSDR has admitted [INSERT NAME] as a CSD Member.

NOW THEREFORE in consideration of the CSDR having agreed to admit the CSD Member into its CSD as a non-LDM, the parties to this Agreement do hereby covenant and agree as follows:

1. THAT the CSD Member shall abide by these Rules and Procedures of the CSDR and the Capital Markets and Securities Act, 1994 and Regulations made thereunder, wherever applicable and comply with any Orders, Directions, or Notices which may be issued or prescribed by the CSDR Board from time to time in respect of its services and facilities of the CSD whether of a temporary or permanent nature.
2. THAT the CSD Member shall continue to be bound by these Rules of the CSDR, notwithstanding that it may have ceased to be a CSD Member, as to all matters and transactions occurring while it was a CSD Member.
3. THAT these Rules and Procedures of the CSDR shall be a part of the terms and conditions of every agreement, contract or transaction which the CSD Member may make or have with the CSDR.
4. THAT the CSD Member shall furnish a list of authorised officials and their signatures thereof who shall represent and interact on its behalf with the CSDR within 14 days of the execution of this Agreement and any changes including additions/deletions thereof shall be communicated to the CSDR within 14 days of such change(s) or as soon as it is practicable.
5. THAT the CSD Member shall be bound by any amendment to these Rules and procedures of the CSDR with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally part of these Rules and Procedures of the CSDR, provided however, that no such amendment shall affect the CSD Member’s rights to cease to be a CSD Member.

6. THAT the Agreement and all contracts and transactions effected by the CSD Member with any other party, or to which the CSD Member is a party under these Rules and Procedures of the CSDR or through the facilities of the CSDR shall be governed by and construed in accordance with the provisions of the relevant laws as well as the Regulations of the regulatory bodies having jurisdiction over the CSD Member applicable from time to time.
7. THAT the CSD Member shall pay such fees and charges that may be payable to the CSDR in accordance with Rules and Procedures of the CSDR as may be amended from time to time.
8. THAT the CSD Member shall not co-mingle its own holdings held in CDS with those held on behalf of the clients. The CSD Member shall effect transfer of holdings in accordance with the CSDR Rules and Procedures and only if the same is supported by a valid instruction and adequate audit trail of the same is maintained. The CSD Member shall be responsible for every action taken on the basis of any order, instruction, direction or mandate given by the account holder.
9. THAT the CSD Member shall comply with the time schedule to be specified from time to time by the CSDR for data transfer.
10. THAT the CSD Member shall comply with the procures, for deposit and withdrawal of securities to and from any of its accounts maintained with the CSD as laid down under the CSDR Rules and Procedures.
11. THAT the CSD Member shall keep records in such manner as may be prescribed by the CSDR Rules and Procedures in respect of its use of any of the services and facilities of the CSDR and allow any person duly authorised by the CSDR to enter its premise, within the regular business hours on any business day where such records are kept and inspect and take copies of such records. The CSD Member shall provide, on demand, any information to the CSDR relating to the contracts and transactions that the CSD Member may have under the CSD.
12. THAT the CSD Member shall reconcile its own records with those of the CSDR on a daily and weekly basis and in such manner as may be specified in the CSDR Rules and Procedures.
13. THAT the CSD Member shall comply with such accounting, audit, financial requirements including requirements for submission of periodic returns on its activities in relation to the CSD, in such form and in such manner and within such period as may be specified in the CSDR Rules and Procedures.
14. THAT the CSD Member shall pay the CSDR such amount as may be specified by the CSDR Board in this regard to compensate for any loss incurred by the client due to an act omission, commission, negligence, misfeasance, fraud, wilful misconduct, errors or default on its part as an CSD Member or any of its employees in relation to the operations of the CSD.
15. THAT the CSD Member shall indemnify the CSDR, in respect of securities credited in its own account towards:
 - I. losses, liabilities and expenses arising from claims of third parties and from taxes and other governmental charges; and
 - II. any other related expenses in respect of such securities as determined by the CSDR.
16. THAT the CSD Member shall provide such information relating to account holders as may be required by the CSDR from time to time.
17. THAT the CSDR shall upon a request, provide at any time to the Issuer, the details of any credit to the CSD Member's own accounts as well as the account of clients in the CSD, including its name, and the number of securities and is also authorised to provide similar

information to any appropriate Government authority in this regard as required under any law.

18. THAT the CSD Member shall notify the CSDR within one business day of any change on the particulars set out in the Application Form submitted to the CSDR at the time of admission or furnished to the CSDR from time to time.
19. THAT the CSD Member shall notify the CSDR forthwith:
 - I. When it is being wound up;
 - II. Upon its becoming aware of the presentation of any petition for its bankruptcy, liquidation or attachment of its property;
 - III. Upon its becoming aware of any bankruptcy order against it or in the event of any distress, execution or other process being levied or served upon or against its property;
 - IV. In case of any change in its financial position which may lead to its bankruptcy or if it suffers a composition with its creditors.
 - V. On the convening of any meeting to consider a resolution for the appointment or purported appointment of a receiver or administration in respect of any of its property, or any other change in circumstances material to its participation to the CSD.
20. THAT the CSD Member and the CSDR shall abide by the arbitration procedures prescribed by the CSDR Board and that such procedures shall be applicable to any disputes between the two parties.
21. THAT neither of the parties to this Agreement shall attempt to enforce by law a claim against the other part arising out of or in connection with CSD operations without having exhausted the arbitration process of the Exchange.
22. THAT the CSD Member and the CSDR further agree that all claims, differences and disputes, arising out of or in relation to dealings on the CSD including any agreements, contracts and transactions made subject to the CSDR Rules or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, rights, obligations and liabilities of the parties thereto and including any questions of whether such dealings, transactions agreements and contracts have been entered into or not, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.

IN WITNESS WHEREOF the CSD Member and the CSD and Registry Company Limited have caused these presents to be executed as of the day and year first above written.

SIGNED, SEALED and DELIVERED for and on behalf of the CSD and Registry Company Limited

Director

Signed - Director/Secretary

Date (this day of 20.....)

CSDR SEAL

In our presence

Name

Signature

.....

Postal address

.....

Qualification

.....

Name

.....

Signature

.....

Postal address

.....

Qualification

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SIGNED, SEALED and DELIVERED for and on behalf of the CSD MEMBER's SEAL

.....

Director

.....

Signed - Director/Secretary

.....

Date (this day of
20.....)

.....

CSDR SEAL

.....

In our presence

Name

.....

Signature

.....

Postal address

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Qualification

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Name

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Signature

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Postal address

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Qualification

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AGREEMENT BETWEEN AN ISSUER AND THE CSD & REGISTRY CO. LTD
RELATING TO DEPOSITORY OPERATIONS

AGREEMENT MADE

this day of20.....

BETWEEN

.....a public company of, P.O. Box, (hereinafter called "the Issuer") of the first part

AND

The CSD & REGISTRY CO. LTD, of P.O. Box 70081, Dar es Salaam
(hereinafter called "the CSDR") of the other part.

WHEREAS the CSDR has installed a Central Securities Depository (CSD) in which securities issued by cross - listed companies are to be deposited.

AND WHEREAS the Issuer has applied for cross-listing of its securities at the CSDR and the Board of the CSDR has approved the cross - listing of those securities.

NOW THEREFORE in consideration for the CSDR having agreed to admit the securities of the Issuer for cross - listing, the parties to this Agreement hereby covenant and agree as follows:-

1. THAT the Issuer agrees and undertakes to comply with the CSD Rules of the CSDR.
2. THAT the Issuer shall be bound by any amendment to the CSD Rules with respect to any transaction occurring subsequent to the time of such amendment. Such amendment shall take effect as if it were originally a part of these Rules, provided that the Issuer shall be consulted by the CSDR whenever amendments to these Rules are proposed to seek its views for eventual determination by the Board.
3. THAT the agreement and all contracts and transactions effected by the Issuer under these Rules or through the facilities of the CSDR shall be governed by and be construed in accordance with the provisions of the relevant laws as well as the Regulations of the regulatory bodies having jurisdiction in respect of the same from time to time.
4. THAT the Issuer shall furnish a list of authorised officials who shall represent and interact on behalf of the Issuer with the CSDR within 14 days of the execution of this Agreement and any changes including additions/deletions, thereof shall be communicated to the CSDR within 7 days of such change(s).
5. THAT the CSDR shall allocate a unique identity code to the Issuer.
6. THAT the Issuer shall establish a continuous channel of communication with the CSDR and the CSDR shall provide necessary procedural guidelines to the Issuer as is necessary for effective and prompt conduct of the business of the CSD. The Issuer shall maintain such

systems, procedures; means of communication, adequate infrastructure, hardware, software security devices and backup facilities as are necessary for the discharge of its obligations under this Agreement as shall be agreed between the Issuer and CSDR.

7. THAT the Issuer shall maintain a backup system of its database. A copy of the latest backup of database and subsequent incremental backup shall be maintained at a designated remote site.
8. THAT the Issuer shall allow access to their systems by the CSDR for periodic assessment of compliance with required systems and procedures.
9. THAT the Issuer shall furnish to the CSDR information on any further issues such rights, bonus, public offerings with details namely; opening and closing dates, issue size, issue price, record date, book closure, proportion, along with a copy of the offer document.
10. THAT the Issuer shall furnish to the CSDR information about book closure, record dates, dates for the payment of interest or dividend, dates for annual general meetings and other meetings, dates for redemption of debentures, dates for conversion of debentures and warrants, call money dates, amalgamation, merger, reduction of capital, reconstruction scheme of arrangement, sub-division, consolidation and conversion of debentures/debts and such other information relating to any corporate action, provided that the issuer shall have the right to outsource corporate actions as per its memorandum and Articles of Association.
11. THAT the Issuer will continue to be responsible for corporate actions. The CSDR undertakes to provide the list of beneficial owners of securities with suitable details to the record date. This list shall be provided by the CSDR within 14 days after such request has been received by the CSDR.
12. THAT the Issuer shall indemnify the CSDR in respect of any loss or liability incurred, or any claim arising in respect of any incorrect information furnished by the Issuer in respect of the CSD.
13. THAT the CSDR shall indemnify and hold the Issuer harmless from any and all claims, liabilities and causes of action attributable to incorrect information supplied by CSDR.
14. THAT where securities have been deposited in the accounts of the clients at the CSDR under intimation from the Issuer in the manner laid down under these Rules, any claims, disputes or liabilities or cause of action from a third party arising in respect of such securities shall be settled between the Issuer and such third party.
15. THAT the CSDR may authorise persons who, shall have the right to enter during the regular business hours, on any working day, the premises of such Issuer where the records relating to the depository operations are being maintained and inspect and take copies thereof.
16. THAT the CSDR shall provide to the Issuer updates of Beneficial Owners on a monthly basis
17. THAT the CSDR shall in its discretion provide any other details that may be required by the Issuer from time to time on payment of such charge as may be prescribed by the Board.
18. THAT the Issuer shall inform the CSDR of any proposed changes in the address of the Registered offices, Corporate Office, not less than thirty days before the date of such change.
19. THAT the Issuer may appoint a Registrar who may perform the functions of the Issuer under this Agreement.
20. THAT the Issuer shall not change, discontinue or substitute its Registrar unless the alternative arrangement has been agreed to by the CSDR.
21. THAT the Issuer shall not assign to any other person/entity its functions and obligations, relating to transactions with the Depository, without the approval of the CSDR.

22. THAT the parties undertake that in the event of any disputes arising out of this Agreement they shall always ensure that such disputes are resolved amicably.
23. THAT in the event the disputes fails to be settled amicably the parties to this Agreement shall resort to the Arbitration procedures prescribed under the CSDR Rules and that such procedure shall be applicable to any disputes between the CSDR and the Issuer.
24. THAT neither of the parties to this Agreement shall attempt to enforce by law any claim, against the other part, arising out or in connection with the Agreement without first having tried to resolve the dispute amicably and secondly having exhausted the Arbitration process of the Exchange.
25. THAT the parties to this Agreement further agree that all claims, differences and disputes, arising out of or in relation to dealings on the depository including any agreements, contracts, and transactions made subject to these Rules of the CSDR or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions, agreements and contracts have been entered or not, which cannot be resolved amicably or by Arbitration process of the Exchange shall be referred to the High Court of Tanzania.

IN WITNESS WHEREOF the parties to this Agreement have caused these presents to be executed as of the day and the year first above written.

SIGNED, SEALED and DELIVERED for and on

behalf of:

Director

Signed - Director/Secretary

Date (this day of
20.....)

ISSUER's SEAL

In our presence

Name

Signature

Postal address

Qualification

Name

Signature

Postal address

Qualification

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Name

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Signature

.....

Postal address

.....

Qualification

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**SIGNED, SEALED and DELIVERED for and on
behalf of the CSD and Registry Company Limited**

.....

Director

.....

Signed - Director/Secretary

.....

Date (this day of 20.....)

.....

CSDR SEAL

.....

In our presence

.....

Name

.....

Signature

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Postal address

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Qualification

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Name

.....

Signature

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Postal address

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Qualification

**AGREEMENT BETWEEN AN AUTHORISED CENTRAL SECURITIES
DEPOSITORY OPERATOR (CSD MEMBER) AND A CLIENT RELATING TO
CENTRAL DEPOSITORY OPERATIONS**

AGREEMENT MADE

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

BETWEEN

..... of P.O. Box(hereinafter called "the CSD Member") of the one part;

AND

.....of P.O. Box(hereinafter called "the Client") of the other part

WHEREAS the CSD Member is duly approved by the CSD and Registry Services (CSDR) to open and maintain its own and clients' accounts at the CSD of the CSDR.

AND WHEREAS the Client has furnished to the CSD Member duly filled Depository Account Application Form [CD 1(a) or CD 1(b)] requesting therein to open an account with the CSDR CSD.

NOW THEREFORE in consideration for the CSD Member having agreed to open an account for the Client, both parties do hereby covenant and agree as follows:

1. THAT the Client shall have the right to obtain the securities which have been deposited at the CSDR - CDS through the manner laid down under CSDR Rules.
2. THAT the CSD Member undertakes not to create or permit to subsist any mortgage, charge or other encumbrance over all or any of such securities deposited at the CSD except on the instructions of the Client and in accordance with CSDR Rules.
3. THAT the CSD Member undertakes to maintain a separate account of its own securities held in the CSD of the CSDR and shall not comingle the same with the securities held in the CSD on behalf of the Client.
4. THAT the CSD Member undertakes that a transfer to and from the account of the Client shall be made in accordance with the CSDR Rules and only on the basis of an order, instruction, direction or mandate duly authorised by the Client in writing and that the CSD Member shall maintain adequate audit trails of such authorisation(s).
5. THAT the CSD Member undertakes to provide a statement of account to the Client at monthly interval unless the CSD Member and the Client have agreed to the provision of such statements at shorter intervals.
6. THAT the Client shall have the right to terminate this Agreement and close his account held through the Authorised CSD Member by specifying therein that the balances, if any, in its account be transferred to another account of the client held with another CSD Member or decide to withdraw the securities from the CDS. The CSD Member shall initiate the procedure for transferring or withdrawing such account within two days of termination of the Agreement as per the laid down Rules of the CSDR.

7. THAT the CSD Member shall have a right to provide such information related to the Client's account as may be requested by the CSDR in accordance with the CSDR Rules from time to time.
8. THAT the Client shall have the right to create a mortgage charge or encumbrance over 1 or an of such securities held in the depository in accordance with the procedures laid down under the CSD Rules of the CSDR.
- ~~9.~~ THAT the CSD Member shall not be liable to the client in any manner whatsoever towards losses, liabilities and expenses arising from the claims of third parties and from taxes and other governmental charges in respect of securities credited to the Client's account.
10. THAT the Client shall notify the CSD Member within seven days, of any change in the details set out in the Application Form submitted to the CSD Member at a time of opening the account or furnished to the CSD Member from time to time.
11. THAT the parties undertake that in the event of any disputes arising out of or in connection with this Agreement they shall always ensure that such disputes are resolved amicably.
12. THAT in the event the dispute fails to the settled amicably
13. THAT the CSD Member and the Client further agree that all claims, differences and disputes arising out of or in relation to dealings on the Central Depository System of the CSDR including any transactions made subject to the CSD Rules or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions have been entered into or not, shall be subject to the exclusive jurisdiction of the High Court of Tanzania.

IN WITNESS WHEREOF the parties have caused these presents to be executed as of the day and year first above written.

SIGNED, SEALED and DELIVERED for and on behalf of the CDS Member:

In its capacity as:

Signed - Director/Secretary

Authorised CSD Member's

Date (this day of
20.....)

In the presence of:

Name

Signature

Postal address

Qualification

SIGNED, SEALED and DELIVERED for and on

the CLIENT:

Signed - CLIENT

Date (this day of
20.....)

In the presence of:

Name

Signature

Postal address

Qualification

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