2018 ANNUAL REPORT

SEC

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

Let the market work ...

for you

Capital Markets provide opportunities for long term investments and can help secure your future well-being. Talk to a SEC licensed dealer or investment adviser for advice on your investment options.

Take advantage of the Capital Markets and invest in your future.

Let's talk Capital Markets

SEC

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

info@seczambia.org.zm

SECURITIES AND EXCHANGE COMMISSION

Corporate Office Address:
Plot 3827 Parliament Road Olympia

(0211) 227012/222368/222369/226386

(0211) 225443

info@seczambia.org.zm

www.seczambia.org.zm

Save and invest ...

for a better future

From humble beginnings to investing in capital markets, you too can be empowered. Secure your future by choosing the right investment today.

Investing in shares, collective investment schemes (e.g. unit trusts), bonds can help you to:

- Generate additional resources to protect your future well being
- Achieve your financial goals e.g. buy your dream house, a car or start a business
- Secure your retirement income

Let's talk Capital Markets

SEC

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

info@seczambia.org.zm

CONTENTS

Our Mission Statement 3
SEC Commissioners 5
SEC Management 7
Chairman's Review 12
Chief Executive's Statement 14
Performance of the equities market 15
Equity market 15
Market Capitalisation 16
Turnover 16
Volume of shares and number of trades 16
Number of Listed and Quoted Companies 16
Turnover to Market Cap Ratio 16
Trading Turnover (Government Debt Securities) 16
Corporate Bonds 16
Collective Investment Schemes (CISs) 17
Financial Performance of the Commission 17
Staff Complement 19
Training and Workshops 20
Strategic Plan Overview 21
Conclusion 22
Corporate Governance 23
Board Composition 24
Board Meetings 25
Committees and Committee Membership 25
Audit Function 27
Commission Secretary 28
Board Performance Self-Evaluation 28
Report on regulatory and operational efficiency 31
Extent of implementation of the Commission's oversight function and their effectiveness 31
Cost Savings resulting from the Commission's Operations 31
Cost to the Nation for not having the Commission 32
Actual and Projected efficiencies the Commission has achieved as a result of the continuing regulatory activities 32
Nature of the working relations with Capital Market Operators 33
Immediate and Projected capabilities of the Commission 33
Operational Activities 34

Market Supervision 34
Zambia's Capital Market Players 34
Licensing 34
Compliance 35
Inspections 36
Market Development 37
Enforcement And Legal Services 51
Legislative developments 51
Enforcement and legal actions taken 53
IOSCO MMOU Compliance 53
Securities Industry Emerging Trends - 43rd IOSCO General Conference 54
Regulatory compliance 56
Market Transactions 56

Appendix I 104
The SEC Staff in 2018 104

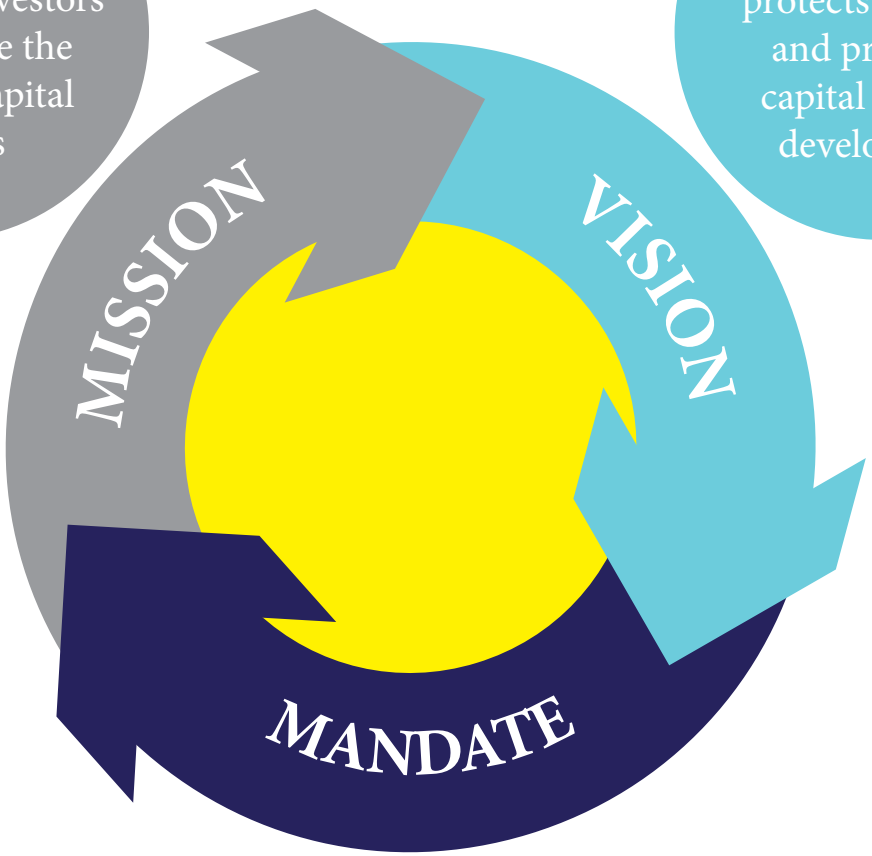
Appendix II 105
List of Authorised Capital Market Players for 2018 105
Dealer's Licenses 105
Dealer's Representative Licenses 106
Investment Adviser's Licenses 110
Investment Adviser's Representative Licenses 111
Securities Exchange Licenses 111

Appendix III 112
Contact Details of Capital Market Players 112
Stock Exchange Contact Details 112
Dealers' Contact Details 112
Investment Advisors' Contact Details 114
Listed Companies' Contact Details 115
Quoted Companies' Contact Details 118
Details of Companies with Listed Debt Securities 119

OUR MISSION, VISION AND MANDATE

To safeguard interests of investors and promote the growth of capital markets

A dynamic Regulator that protects investors and promotes capital markets development



The Securities and Exchange Commission (SEC) was established pursuant to section 3 of the repealed Securities Act, Cap 354 of the Laws of Zambia and its existence has been continued under the new Securities Act, No. 41 of 2016. The Commission's mandate is to ensure that investors in the Zambian capital markets, both local and foreign, are protected. It is also the mandate of the Commission to develop the capital markets. The Commission has to ensure there is a right balance between investor protection and Capital Market Development.

If you are approached by someone offering Investment products…

Remember to do your part by first asking to see their Securities and Exchange Commission Investment Adviser's License.

info@seczambia.org.zm

Plot 3827, Parliament Road,Olympia | P.O.Box 35165, Lusaka - Zambia

+260 211 227 012 | Fax: +260 211 225 443

www.seczambia.org.zm

SECURITIES AND EXCHANGE COMMISSION

Protecting investors in the capital markets.

SEC Commissioners

During the period under review, the SEC Commissioners, appointed from institutions specified in the Securities Act, No. 41 of 2016, were the following:

Board Chairperson

Mr. Amos Siwila

Mr. Siwila, a legal practitioner, is the SEC Board Chairperson. He previously served as the SEC Board Vice-Chairperson from November 2015 to August 2016. He then served as Acting Chairperson from August 2016 until his election as Board Chairperson in June 2017. Mr. Siwila is a Partner in the law firm Mambwe Siwila and Lisimba Associates and he represents the Law Association of Zambia (LAZ) on the Board.

Board Vice-Chairperson

Mr. George Nonde

Mr. Nonde, a chartered accountant, is the Board's elected Vice-Chairperson since June 2017 and has been a SEC Board Member since September 2014. He is the Finance Director for CFAO Zambia and he represents the Zambia Chamber of Commerce and Industry (ZACCI) on the Board. He also chairs the Board's Staff and Remuneration Committee.

Commissioner

Mrs. Ireen Musonda-Habasimbi

Mrs. Habasimbi, an economist, has been a SEC Board Member since May 2017. She is the Director – International Debt Management at the Ministry of Finance and she represents the Ministry of Finance on the Board. She chairs the Commission's Licensing Committee.

Commissioner

Dr. Jonathan Chipili

Dr. Chipili, an economist at the Bank of Zambia (BoZ), has been a SEC Board Member since August 2012. Dr. Chipili is the Director – Financial Markets at BoZ and he represents the Central Bank on the Board. He chairs the Market Transactions Committee of the Board.

SEC Commissioners

Ms. Mainza Masole

Ms. Masole, a social security professional, has been a SEC Board Member since May 2017. Ms. Masole is the Manager – Pensions at the Pensions and Insurance Authority and she represents the Pensions and Insurance Authority on the Board. She chairs the Commission's Property Acquisition and Development Committee.

Commissioner

Mrs. Natasha N. Kalimukwa

Mrs. Kalimukwa, a legal practitioner, has been a SEC Board Member since March 2018. Mrs. Kalimukwa is the Administrator General and Official Receiver for the Republic of Zambia and she represents the Ministry of Justice on the Board. She also chairs the Commission's Compensation Fund Committee.

Commissioner

Mrs. Ruth Mugala

Mrs. Mugala, a chartered accountant, has been a SEC Board Member since May 2017. Mrs. Mugala is an independent financial consultant and runs a number of businesses. She represents the Zambia Institute of Chartered Accountants on the Board and chairs the Commission's Risk and Audit Committee.

Commissioner

Mr. Phillip K. Chitalu

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

Ex-officio Commissioner

SEC Management

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

Chief Executive Officer

Phillip K. Chitalu

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

Commission Secretary and Director – Enforcement & Legal Services

Diana Sichone

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

Director - Market Supervision & Development

Mutumboi Mundia

Ms. Mundia, a fellow of the Association of Chartered Certified Accountants (ACCA), has been with the Commission since January 2013. She is a Chevening Scholar and holds a Master's Degree in Corporate Strategy and Governance from the University of Nottingham in the UK. She also holds the International Global Certificate for Securities Regulators from the Harvard Law School/IOSCO. Ms Mundia further holds the Introductory Certificate in Arbitration from the UK's Chartered Institute of Arbitrators.

SEC Management

Manager – Market Transactions & Investments

Bruce Mulenga

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

Manager – Finance

Mateyo Lungu

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

Manager – Administration

Saul Nyalugwe

Mr. Nyalugwe has been with the Commission since October, 2012. He holds a bachelor of laws degree from Nelson Mandela Metropolitan University in South Africa, a Diploma in Purchasing and Supply from Sandwell College of Higher and Further Education (West Bromwich) UK and a Diploma in Human Resource Management from Zambia Institute of Human Resource Management. He also trained in Domestic Arbitration by the Chartered Institute of Arbitrators.

Manager – Market Supervision

Abraham Alutuli

Mr. Alutuli, a chartered accountant, has been with the Commission since May, 2014. He Holds a Master of Business Administration (MBA) and is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and Zambia Institute of Chartered Accountants (ZICA). He is also a certified fraud examiner and holds a National Accounting Technician Certificate.

SEC Management

Manager – Market Supervision

Nonde Sichilima

Mr. Sichilima, a chartered accountant, has been with the Commission since September, 2015. He holds a BA (Hons) Degree in Accounting and Finance from Athlone Institute of Technology, Ireland. He is a member of the Zambia Institute of Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (FCCA).

Manager -Market Development

Dingase Makumba

Mrs. Makumba has been with the Commission since May 2014. She holds a Masters of Business Administration from the Eastern and Southern Africa Management Institute (ESAMI), Bachelor of Arts in social sciences from the University of Zambia and postgraduate diploma in marketing from the Chartered Institute of Marketing-UK.

Manager – Financial Inclusion

Mubanga Kondolo

Mr. Kondolo, a financial sector specialist has been with the Commission since June 2017. He holds a BA (Hons) in Business and Management from University of Sunderland.

Manager – Law Reform and Enforcement

Lubunda A. Ngala

Mr. Ngala, a legal practitioner, has been with the Commission since October 2017. He holds a Bachelor's degree in law from the University of Zambia, and he is also an advocate of the High Court for Zambia and a qualified legislative drafter.

Enforcement

SEC Senior Management Team

From left to right: Ms Mutumboi Mundia, Mr. Phillip K. Chitalu and Mrs. Diana Sichone

SEC Management Team

Front row, from left to right:
Mr. Nonde Sichilima,
Mrs. Dingase Makumba,
Mrs. Diana Sichone and
Mr. Mubanga Kondolo

Middle row, from left to right:
Mr Lubunda Ngala,
Mr. Abraham Alutuli.
Mr. Saul Nyalugwe and
Mr. Mateyo Lungu

Back row, from left to right:
Mr. Bruce Mulenga,
Mr. Phillip K. Chitalu and
Ms Mutumboi Mundia

Are you taking care of your future financial well being?

Invest in **Shares | Bonds | Unit Trusts**

SECURITIES AND EXCHANGE COMMISSION
Protecting Investors in the Capital Markets

Remember prices may rise or fall, Investors should seek professional advice.

info@seczambia.org.zm

Plot 3827, Parliament Road,Olympia | P.O.Box 35165, Lusaka - Zambia

+260 211 227 012 | Fax: +260 211 225 443

www.seczambia.org.zm

SECURITIES AND EXCHANGE COMMISSION

Protecting investors in the capital markets.

Chairman's Review

The Commission presents the report for the year ended 31st December 2018, as required by the Securities Act, Number 41 of 2016. The Securities Act further requires that the Commission should report on a number of issues not limited to but including the following:

a) The extent of the implementation of the Commission's oversight functions and their effectiveness;
b) Cost savings resulting from the Commission's operations;
c) The cost to the nation for not having the Commission;
d) The nature of the working relations with capital market operators;
e) The actual and projected efficiencies the Commission has achieved as a result of the continuing regulatory activities; and
f) The immediate and projected capabilities of the Commission.

The Commission has reported on these matters in relevant sections of this annual report.

I am glad to report, on behalf of the Commission, on a number of exciting activities and projects that the Commission embarked on in the year under review.

The Commission's 2015-2018 Strategic Plan ended in March 2018. In order to craft our future strategic direction, the Commission engaged an independent Consultant, Management Development Division at Cabinet Office to help the Commission appreciate mile stones achieved and those missed in the 2015-2018 Plan. While the Commission's performance was rated at 72%, an above average performance, this achievement is better than the 52% scored in the review of the 2012 to 2015 Strategic Plan. I am therefore excited that while we have a long way to go in meeting and reaching capital market's development targets, the Commission is progressing on the right trajectory.

Subsequent to the review of the ended strategic plan, I am happy to report that going forward, the Commission will be guided by a new Strategic Plan for the period to December 2021. The details and goals of this plan are reported below in this annual report. Suffice to mention that the Commission remains focused on improving both investor protection and capital markets growth.

> ***"I am therefore excited that while we have a long way to go in meeting and reaching capital market's development targets, the Commission is progressing on the right trajectory."***

Chairman's Review

On the regulatory front, the Commission, with the support of the World Bank is developing rules and regulations needed to make the 2016 Securities Act operational. In the spirit of inclusiveness, and as required by the Law, the Commission will engage with all relevant stakeholders to ensure that the developed rules meet the aspirations of the market. The Commission plans to finalise at least five (5) sets of Rules and Regulations in 2019. Meanwhile, in order to address immediate challenges faced by the market, the Commission, with the support of the Ministry of Finance, is expediting the revision to the Statutory Instrument on fees. This is meant to immediately reduce the cost of doing business by capping the maximum fees payable on the registration of securities.

In my 2017 report, I did allude to the fact that the Commission would pursue the developing of a capital markets master plan. I am excited to report that the Commission is making progress on this front. To this end, the Commission together with the Ministry of Finance will be engaging with the Financial Sector Deepening Africa, a DfID funded project, to progress the development of a plan that will anchor capital markets development in Zambia. It is expected that a cooperation agreement will be signed with the FSDA within the first quarter of 2019.

The Commission continues to view capital markets as an important alternative sector in mobilizing savings into long-term development projects. However, this is only possible in an environment where confidence is maintained. In order to further enhance market confidence and also safeguard savings, the Commission issued a number of guidance notices during 2018. Of note was the December 2018 guidance note on "Prohibited Products". This was meant to ensure that investors were only making savings into authorized products, a key step in safeguarding investments. The Commission has seen progress being made towards regularizing positions in entities that were found to be outside of the Law.

While the Commission continued to deliver on its mandate of investor protection and market development, the key challenge continues to be the limitation in the availability of resources. With subdued market activities as reported in this report, the Commission failed to generate sufficient resources to meet its budgetary requirements. Therefore, continued and adequate Government support remains key to ensuring that the Commission delivers on its mandate of investor protection and market development.

The Board, management, and staff continue to be thankful for the continued support that the Government, through the Ministry of Finance, continues to provide to the Commission. May I also thank all the capital markets stakeholders and in particular the Capital Markets Association of Zambia (CMAZ), whose continued dialogue and interaction with us has made our investor protection agenda and the capital markets development initiatives a success.

Amos Siwila
CHAIRPERSON

Chief Executive's Statement

The Commission's duty is to ensure that investors in the capital markets are protected and that capital markets in Zambia are developed. This dual mandate is in line with the requirements of the Securities Act, number 41 of 2016. The same Act requires as indicated in the Chairman's report that the Commission should give an update, among other things, on the performance of the Commission in line with the six key areas highlighted in the Chairman's report.

The Commission presents below operational reports that highlight activities performed by the Commission during the 2018 fiscal year. While the Commission's main mandate is to protect investors in the capital markets and ensuring capital markets are developed, this is only possible in an environment where the limited financial and other resources are efficiently and effectively utilised. To this end, the Commission presents below financial statements for the year ended 31st December 2018. This is in line with both the Public Finance Act requirements as well as good corporate governance principles. The Commission has continued to demonstrate that the financial resources of the Commission are continually managed in a prudent manner having in mind the Commission's need to use resources in its primary function of investor protection and attending to market development goals.

> *"The Commission therefore dedicated its resources to protect the K60 Billion invested through public markets on the Lusaka Securities Exchange Plc, the K574 Million in Collective Investment Schemes, and the K700 Million in Corporate Bonds."*

The Commission continues to operate below the minimum required resource needs. However, despite this challenge, the Commission applies the limited resources to those regulatory activities that add value to the protection of investors. The Commission therefore dedicated its resources to protect the K60 Billion invested through public markets on the Lusaka Securities Exchange Plc, the K574 Million in Collective Investment Schemes, and the K700 Million in Corporate Bonds. It is the Commissions challenge to ensure that these funds are protected so that people's savings are secure and thus have the Commission continue building confidence in the capital markets as a secure place to put retirement and other savings.

The Commission now reports below the performance of the equity, corporate debt, and Collective Investment schemes (CIS) segments of the capital markets sector. These areas under the supervision of the Commission all contributed to the overall well-being of the financial system in Zambia.

Chief Executive's Statement

Performance of the equities market

The Capital markets in Zambia has three licensed exchanges. The performance of the market report is however restricted to the Lusaka Securities Exchange Plc (LuSE), which is the only active regulated market. Pan African Exchange ("PANEX") was allowed to test their operating systems. However, PANEX suspended its operations to attend to regulatory observations. The Bonds and Derivatives Exchange (BaDEX) was still non-operational during the year.

Equity market

The Lusaka Securities Exchange (LuSE) All Share Index (LASI) closed at 5,248.39 points on 31st December 2018, a 1 % decrease compared to the 5,311.54 points at 31st December 2017. The decrease in the LASI was mainly due to a decline in share prices notably in Lafarge (22.08%), ZANACO (13.40%), Investrust (11.11%) and Standard Chartered Bank Zambia (5.05%).

We present below the salient indicators of the performance of the market during the year under review:

	31/12/2018	31/12/2017	percentage change
LuSE All Share Index	5,248.39	5,311.54	1%
Market Cap (K 'million-Including Shoprite)	60,493	62,350	3%
Market Cap (US$ million-Including Shoprite)	5,058	6,223	19%
Market Cap (K 'million-Excluding Shoprite)	26,254	28,111	7%
Market Cap (US$ million-Excluding Shoprite)	2,196	2,805	22%
Gross Domestic Product (US$ million)	27,368	25,633	7%
Trading Turnover - Equities (K 'million)	1,197	1,198	0.1%
Volume of Shares Traded ('Millions')	1,287	852	51%
Number of Trades	5,461	3,850	42%
Number of Listed Companies	23	23	0%
Number of Quoted Companies	13	13	0%
Market Capitalization/GDP Ratio	18.5	24.27	24%
†Turnover /Market cap Ratio	4.56	4.26	7%
Trading Turnover-GRZ Bonds (K 'million)	9,974	11,959	17%
Number of Trades (GRZ Bonds)	1,606	1,331	21%
Number of Brokers	6	6	0%
Number of Collective Investment Schemes	11	10	10%

Source: Lusaka Securities Exchange Plc

*2016 GDP (CSO @ K9.92/US$) and 2017 GDP (World Bank Forecast)

†Turnover to market cap ratio excludes Shoprite

Chief Executive's Statement

Market Capitalisation

The market capitalization, which is the market value of securities of all listed companies was K60,493 million (K26,254 Million without Shoprite) as at 31st December 2018, down from K62,350 million (K28,111 Million without Shoprite) as at 31st December 2017, representing a 1% decrease. The market capitalization excluding Shoprite was down 7%. This decrease in the market capitalisation was mainly due to a decrease in the share prices of ZCCM-HI, Lafarge, ZANACO, Standard Chartered Bank Zambia Plc, and Investrust Bank Plc.

In US$ terms, the market capitalization of the LuSE including Shoprite was US$5,058 Million at 31st December 2018, a 19% decrease from US$ 6,223 million at 31st December as at 31st December 2017. The market capitalization excluding Shoprite was US$2,196 million at 31st December 2018 compared to US$ 2,805 million as at 31st December 2017 a 22% decline.

Turnover

The turnover recorded during 2018 was K1,197 Million, a 1% decrease from K1,198 million in 2017. This decrease is mainly attributed to decline in some share prices.

Volume of shares and number of trades

The total volume of shares traded during the year increased by 51% while the number of trades increased by 42%. CEC Plc and CEC Africa Plc contributed 51% and 43% respectively towards the total volume traded.

Number of Listed and Quoted Companies

There was no change in the number of quoted and listed companies during the period under review.

Turnover to Market Cap Ratio

The turnover to market capitalisation ratio increased by 7% to 4.56 in 2018 from 4.26 % recorded in 2017. The overall market liquidity ratio was mainly driven by CEC Plc which contributed 71% of the total market turnover. Without the CEC transaction, the ratio is still below a level required to have a liquid market.

Trading Turnover (Government Debt Securities)

The trading turnover of government bonds decreased by 17% from K11,959 million in 2017 to K9,974 million in 2018.

Corporate Bonds

The private sector participation in the capital markets is mainly through issuance of bonds to raise investment funds. However, as a percentage of GDP, corporate bonds outstanding was at 0.22% or K727 million as at 31st December 2018 and 0.36% or K929 million at 31st December 2017. The 22% reduction during the year is due to some of the bonds maturing during 2018, while there was very minimal activity in new corporate bond issues.

Chief Executive's Statement

Collective Investment Schemes (CISs)

The number of authorized fund managers at 31st December 2018 was 11 from nine (9) in 2017. This was after two new fund managers were authorized during 2018. The value of funds under management by the authorised managers increased to K516,662,856 as at 31st December 2018, a 19.3% increase from K433,047,611 at the end of December 2017. Although there was growth in the number of fund managers, there was minimal growth attributed to the new fund managers. The recorded growth was mainly on account of increased savings by existing clients and new clients in the old Fund Managers' Funds.

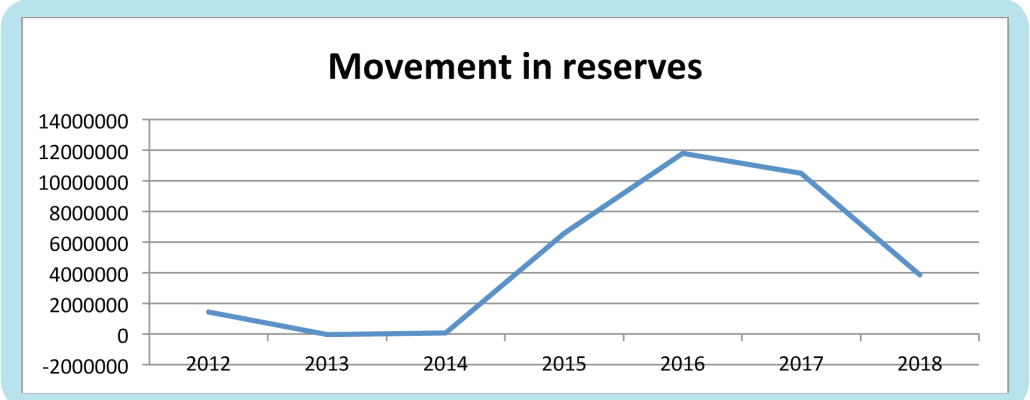
Financial Performance of the Commission

In order to safe guard savings made through the capital markets, government continues to support the Commission in meeting operational costs. The Commission also continues to support government efforts by generating revenues that support budget implementation. However, as the Commission's mandate is largely investor protection, financial performance indicators are mainly on account of the Commission needing to prudently apply the limited resources in meeting its mandated objectives. We report in other sections on some of the non-financial activities that the SEC is required to do as part of its mandate.

In the period ending 31st December 2018, the Commission recorded an operating deficit of K 6,640,888 (2017 – Deficit K1,301,332) from a combined income of K 18,953,080 against total operating costs of K 25,593,968. However, the Commission met all its obligations on time by utilizing reserves. The deficit in the year is mainly attributed to the subdued market activities arising from high money market rates in 2017 through to 2018. The capital markets ability to transfer savings into productive sectors, which drives the Commission's ability to earn fees, is affected by high money market rates as corporates are unable to raise capital from long term markets due to expensive funds.

Reserves

The Commission's accumulated fund (reserves) position at 31st December 2018 stood at K 3,840,047 compared to K 10,480,935 recorded at 31st December 2017. This reduction, as explained above, was due to the Commission meeting its approved budgetary expenses by using reserves. The diagram below shows that since 2012, the Commission had been managing to contain costs and thus improve on its reserve position but due to subdued market activities from 2016, the Commission's reserve position has been declining as depicted below:



Chief Executive's Statement

Income Earned

During the year ended 31st December 2018, the Commission internally generated 46% of its income while GRZ grant support accounted for 54%. This is on the backdrop of subdued market activities as explained above.

Commission Expenses

The Commission being in the services sector, human capital is its main asset. Therefore, the Commission's major expense continues to be employee costs, a significant and key component of our regulatory activities and therefore the key cost driver. On a comparative basis, for the period to 31st December 2018, the Commission's total staff costs were 57% (2017 – 54%) of its total expenditure. Being a service-oriented organization that also champions investor awareness and investor protection, labor, awareness, and governance costs continues to be the Commission's major cost elements.

The Commission also strives to uphold good corporate governance by ensuring that the SEC had a well-functioning Board supported by effective Board committees. In order to assist the Board, make informed licensing, authorization, and registration decisions among others, the Board, as provided for in the Securities Act, has constituted a number of committees of the Board, which have a good representation of various required professions.

Capital Expenditure

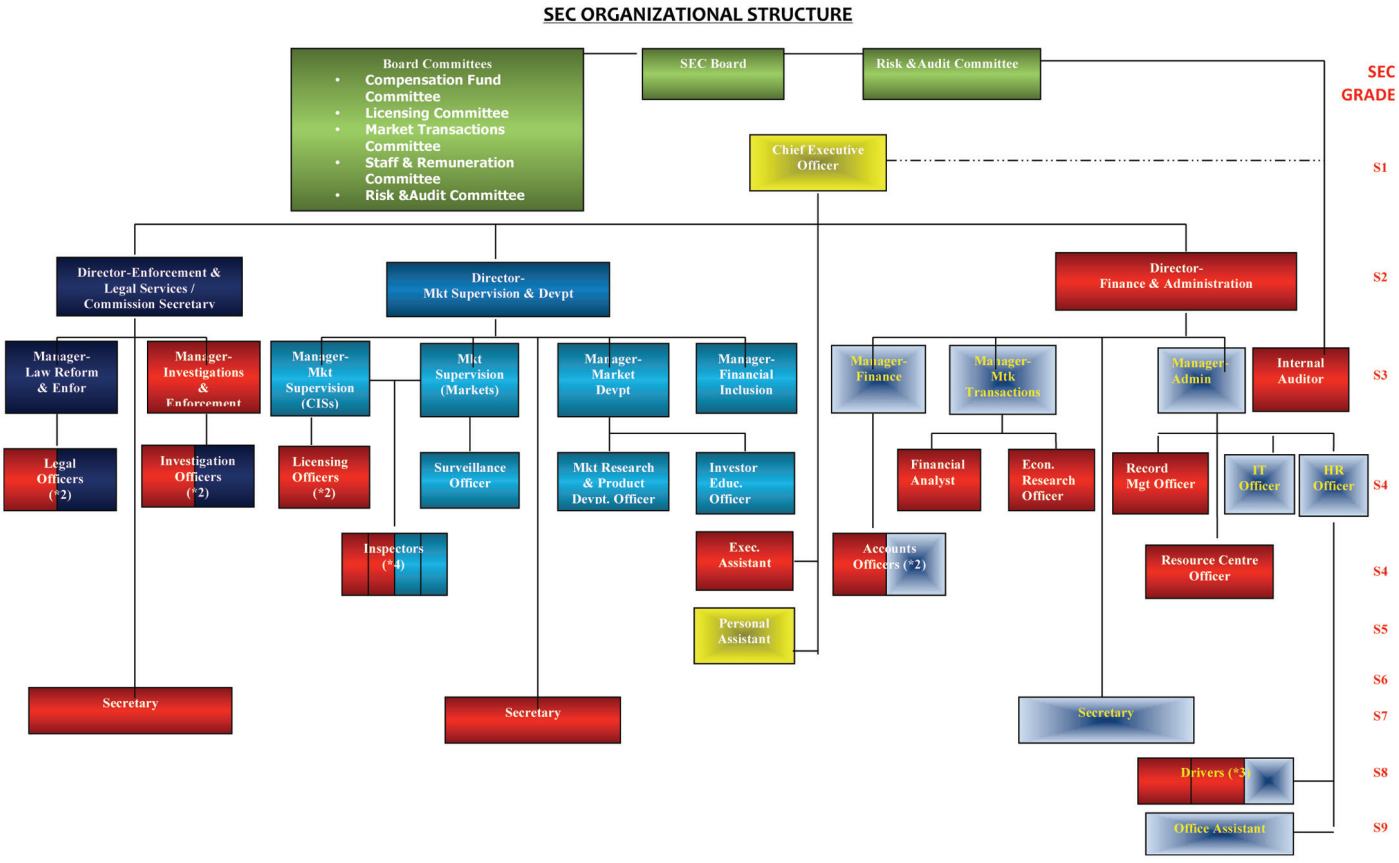
The Commission during the embarked on a building project on Burma Road. The building costs represents the largest capital expenditure during the period under review. The Commission's capital expenditure was as follows:

Type	2018 ZMW	2017 ZMW
Computer hardware	216,481	135,389
Office equipment	54,999	174,941
Office furniture	88,470	130,538
Motor vehicles	-	1,044,386
Land and Buildings	1,041081	
Total	**1,401,032**	**1,485,254**

Chief Executive's Statement

Staff Complement

The Commission's staff complement during the review period remained at 24 compared to an approved structure of 43 (2015 – 2018). Capacity building continued to be at the core of the Commission's objectives. The full list of employees during the period under review is provided in Appendix I while the approved structure is highlighted below:



Chief Executive's Statement

Training and Workshops

Multi-national and Regional Conferences and Summits Attended by Commission Staff

The Commission has a deliberate policy to ensure staff are aware of the developments in this ever-changing capital markets environment. The country and the Commission are also signatories to regional bodies such as SADC, which among other things require membership and attendance at meetings such as those of the Committee on Insurance, Securities and Non-Bank Authorities (CISNA) and the Eastern and Southern African Anti Money Laundering Group (ESAAMLG). Therefore, during the Financial Year ended 31 December 2018, Commission staff attended the following trainings, conferences, meetings and workshops.

Course & Location	Dates	Attended by
Office Assistant Course, Luanshya	1st to 12th January 2018	Office Assistant
IOSCO AMERC, Dubai	23rd to 25th January 2018	Inspector/Analysts and Investigations Officer
IOSCO Assessment Committee's Capacity Building, Malaysia	24th to 26th January 2018	Director Market Supervision and Development
IOSCO TA Manual-Livingstone	26th to 28th February 2018	Manager Market Transaction, Finance Manager, Manager Market Supervision, Inspector/ Analyst and Investigations Officer
Leadership Program for Security Regulators-Toronto Canada	5th to 8th March 2018	Director Market Supervision and Development, Manager Legal
Annual International Institute for Securities Market growth Dev-USA	12th to 22nd March 2018	Investigations Officer
Management skills workshop -Livingstone	22nd to 24th March 2018	Secretary
Amended Constitution Act No.2 of 2016-Pensions, Ndola	22nd to 23rd March 2018	Administration Manager and Human Resource Officer
LAZ, Livingstone	4th to 7th April 2018	Investigations Officer and Manager Legal
Investor Education/IOSCO Global investor Education, Japan	9th to 11th April 2018	Manager Financial Inclusion
ESAAMLG, Tanzania	15th to 19th April 2018	Director Enforcement and Legal Services Manager Market Supervision
CISNA-Seychelles	18th to 20th April 2018	Director Enforcement & Legal Services, Manager Market Supervision, Manager Market Development and Manager Market Transactions
ZICA -Livingstone	27th to 28th April 2018	Manager Market Supervision and Manager Market Development
IOSCO Conference, Budapest	05th to 13th May 2018	Chairman and Director Enforcement and Legal Services
Microsoft Exchange Server 2016 Certification, South Africa	14th to 18th May 2018	IT Officer
ZICA Annual Business conference -Livingstone	14th to 18th May 2018	Manager Finance, Manager Market Supervision, Manager Transactions

Course & Location	Dates	Attended by
ICSA Certificate in Company Secretarial, London	23rd to 25th May 2018	Manager Legal
CISI-Livingstone	28th to 30th May 2018	Manager Finance, Manager Financial Inclusion and 3 Commissioners
Executive Assistants Master Class-Livingstone	25th to 29th June 2018	Personal Assistant to CEO
Phase 1 IOSCO/PIFS-Harvard Certificate Program for regulators of Securities Markets-Spain	25th to 29th June 2018	Director Enforcement and Legal Services, Manager Market Supervision
Southern African Structured Trade-Livingstone	26th to 28th June 2018	Inspection Analyst, Surveillance Officer
Legislative Drafting-Lusaka	23rd July to 21st December 2018	Manager Legal and Legal Officer
ABEAM Course, Lusaka	30th to 31st August 2018	Surveillance Officer, Inspection Analyst, Manager Market Supervision and Investigations Officer
ESAAMLG, Seychelles	2nd to 8th September 2018	Director Enforcement and Legal Services, Manager Market Supervision
ESAAMLG-AML/CFT Risk based Supervision-Mauritius	19th to 22nd November 2018	Manager Market Supervision
ZIM-Livingstone	27th November to 1st December 2018	Manager Financial Inclusion, Manager Development and Product Development & Market Research Officer
Phase 11 IOSCO/PIFS-Harvard Certificate Program for regulators of Securities Markets-Boston, Spain	3rd to 7th December 2018	Director Enforcement and Legal Services Manager Market Supervision
IOSCO-Dubai	11th to 13th December 2018	Director Market Supervision and Development

Strategic Plan Overview

The Commission's 2015 – 2018 strategic plan came to an end on the 31st of March 2018. The Commission engaged Management Development Division at Cabinet Office to both review the performance for the 2015-2018 Plan as well as help the Commission come up with a new 2018 – 2021 strategic plan. The review of the old plan showed that the Commission achieved a 72% completion rate. The new Plan, developed with wide stakeholder consultations, identified Seven (7) new key objectives which include the following:

Objective One: **"Improve Investor Protection."**

These measures are aimed at increasing financial inclusion and accessibility of capital markets products.

Objective Two: **"Promote diversified and customer-centric products."**

These inventions are aimed at deepening and diversifying the investment options in the capital markets.

Chief Executive's Statement

Third objective: **"Improve Stakeholder Relationships."**
We believe these interventions are aimed at increasing stakeholder support and creating a positive corporate image.

Fourth objective: **"Improve Sources and Management of Financial Resources."**
These measures are aimed at optimizing financial resources and ensuring effective implementation of programs.

Fifth objective: **"Improve Operational Processes and Systems."**
This Strategy is aimed at improving efficiency in service delivery.

Sixth objective: **"Enhance Human Capital and work culture."**
These interventions are aimed at creating a positive corporate image, motivating staff and improving performance.

Seventh objective: **"Improve Office, Tools, Equipment and Infrastructure."**
These measures are aimed at improving efficiency.

The above identified objectives are expected to help the Commission achieve its goal to increase the number of investors and issuers through awareness and building market confidence. The Commission plans to see a market where there is increased liquidity achieved through having a trusted market, increased number of listed entities as well as participation on the market by an increased number of investors.

Conclusion

While activities on the market were subdued in 2018 compared with prior years and that the low market activities have had an impact on the Commission's ability to mobilise resources, the Commission sees capital markets as an enabler of economic growth.

Phillip K. Chitalu
CHIEF EXECUTIVE OFFICER

Corporate Governance

Cadbury has defined corporate governance as a system by which a firm is directed and controlled. The Commission takes corporate governance very seriously as the Commission believes that a well-managed and supervised corporate entity creates the most value for its shareholders. The Securities Act has entrenched provisions aimed at ensuring compliance, by entities regulated by the Commission, with corporate governance principles including having a say in the appointment of the Directors and senior management of securities exchanges and clearing and settlement agencies. This is meant to ensure that the office holders are not only fit and proper but also adhere to the governance principles of transparency, responsibility, accountability and fairness.

Corporate governance is not only applied externally to the Commission's regulated entities but also applies to the Commission as a statutory body. In terms of the governance structure, the Commission operates with a non-Executive Board and a Management structure whose roles are clearly distinct. The Board plays an oversight or supervisory role while Management is involved in the day-to-day administration of the Commission's affairs. The Board's oversight role is highlighted in Section 8 of the Securities Act, No. 41 of 2016.

In addition, the Commission has a Board Charter that prescribes the conduct and operations of the Board and its Members, individually and severally. The Charter guides Members on declarations of interest, gift acceptance restrictions as well as the prohibition of trading on non-public, price-sensitive information. The Commission also enforces a Code of Conduct to the Commission staff which prescribes the conduct and behaviour of staff on governance issues, especially regarding conflict of interest. The Code of Conduct requires staff to declare interest in matters in which staff could have personal interest. It is also a requirement that staff declare gifts received from any person or entity, whether regulated by the Commission or not as well as insider dealing restrictions. In order to ensure that the Commission is kept abreast with international corporate governance trends, the Commission requires all senior management staff to be members of the Institute of Directors of Zambia.

"The Commission takes corporate governance very seriously as the Commission believes that a well-managed and supervised corporate entity creates the most value for its shareholders."

Corporate Governance

Board Composition

Section 8(2) and (3) of the Securities Act, No. 41 of 2016 specifies the composition of the Commission Board as consisting of representatives of the following organisations:

a) Bank of Zambia;
b) Law Association of Zambia;
c) Zambia Institute of Chartered Accountants;
d) Zambia Chamber of Commerce and Industry;
e) Ministry responsible for finance;
f) Ministry responsible for justice;
g) Pensions and Insurance Authority; and
h) the Commission's Chief Executive Officer as ex-officio Member.

The Minister appoints the non-executive Members of the Commission Board from a nomination made by the respective organisation. In addition, section 8(5) of the Act requires the Minister to ensure that at least fifty percent of each gender is nominated and appointed to the Commission Board, unless it is not practicable to do so. However, the Act empowers the Members to elect, from amongst their number, a Chairperson and Vice-Chairperson of the Board. During the period under review, the Commission Board consisted of the following Members:

Name of Board Member	Institution Represented	Position
Mr. Amos Siwila	Law Association of Zambia	Chairperson
Mr. George Nonde	Zambia Chamber of Commerce and Industry	Vice-Chairperson
Mrs. Ireen M. Habasimbi	Ministry responsible for finance	Member
Mrs. Natasha N. Kalimukwa	Ministry responsible for justice	Member
Dr. Jonathan Chipili	Bank of Zambia	Member
Ms. Mainza Masole	Pensions and Insurance Authority	Member
Mrs. Ruth S. Mugala	Zambia Institute of Chartered Accountants	Member
Phillip K. Chitalu	SEC Chief Executive Officer	ex-officio Member

Commission Board

Front row (from Left to Right):
Mrs. Natasha. N. Kalimukwa,
Mr. Amos Siwila and
Mrs. Ireen M. Habasimbi

Back row (from Left to Right):
Dr. Jonathan Chipili,
Mrs. Ruth S. Mugala,
Mr. George Nonde,
Ms. Mainza Masole and
Mr. Phillip K. Chitalu

Corporate Governance

Board Meetings

The Board held four scheduled meetings in February, May, September and December. In addition, the Board held one Special Meeting in October to deliberate on a matter that required the Board's urgent consideration. The Board has delegated decision-making on time-sensitive matters such as those relating to licensing as well as market transactions (registration of securities for capital raising) to ensure that decisions are expeditiously made without having to wait for the quarterly scheduled meetings

The following is the Board attendance at the scheduled and special meetings:

Name	February Scheduled Meeting	May Scheduled Meeting	September Scheduled Meeting	October Special Meeting	December Scheduled Meeting
Mr. Amos Siwila	✓	✓	✓	✓	✓
Mr. George Nonde	✓	✓	✓	✗	✓
Mrs. Ireen M. Habasimbi	✓	✗	✓	✗	✓
Mrs. Natasha N. Kalimukwa *	-	✓	✓	✓	✓
Dr. Jonathan Chipili	✓	✓	✓	✓	✓
Ms. Mainza Masole	✓	✓	✓	✗	✓
Mrs. Ruth S. Mugala**	-	-	-	✓	✗
Mr. Phillip K. Chitalu	✓	✓	✓	✓	✓

* Appointed in March 2018
** Appointed in October 2018
✓ Meeting attended
✗ Meeting not attended
- Member not yet appointed to the Board

Committees and Committee Membership

The Commission Board has established Committees to assist the Board in performing some of the statutory functions conferred on the Board. The Commission has five standing and one ad hoc Board Committee namely –

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

The Compensation Fund Committee is a Board Committee established pursuant to section 176 of the Securities Act. The Committee is responsible for overseeing matters relating to the Compensation Fund and reporting to the Board. In particular, the Committee shall administer the Fund and make determinations for the settlement of claims against the Fund as provided for under the Securities (Compensation Fund) Regulations.

Corporate Governance

The Licensing Committee is a Board Committee established pursuant to section 13 of the Securities Act and is responsible for licensing market players and overseeing and reporting on the existing and new policies as stipulated in the Act and the Rules made pursuant to the Act as well as enforcement matters.

The Market Transactions Committee is a Board Committee established pursuant to section 13 of the Securities Act and is responsible for overseeing, and reporting to the Board on approval of applications for registration of securities required to be registered under Part VIII of the Act as well as the quanta and efficacy of capital formation.

The Risk and Audit Committee is a Board Committee of the Board constituted under section 13 of the Securities Act. In addition, it is a statutory requirement under the Public Finance Management Act, No. 1 of 2018, for this Committee to be established. The Committee is responsible for overseeing financial management, reviewing internal controls, checks and balances and risk management.

The Staff and Remuneration Committee is a Board Committee established pursuant to section 13 of the Securities Act and is responsible for overseeing, and reporting to the Board on recruitment, skills training, capacity building and retention of staff.

The Property Acquisition and Development Committee has been established as an ad hoc Committee to guide Management in the Commission's property acquisition and development process. In addition, the Commission has established a Procurement Committee, chaired by the Chief Executive Officer, in accordance with the Public Procurement Act, No. 12 of 2008.

The Committees were composed of the following members:

COMMITTEE	MEMBERSHIP REPRESENTATION	MEMBER
LICENSING COMMITTEE	Board Member representing MoF and Committee Chairperson	Mrs Ireen M. Habasimbi
	Board Member representing MOJ	Mrs. Natasha N. Kalimukwa
	BoZ Representative	Mrs. Hellen L. Banda
	ERB Representative	Mr. Fred Hang'andu
	PIA Representative	Mrs. Namakau Mundia-Ntini
MARKET TRANSACTIONS COMMITTEE	Board Member representing BoZ and Committee Chairperson	Dr. Jonathan Chipili
	Board Member representing PIA	Ms. Mainza Masole
	Board Member representing MoF	Mrs. Ireen M. Habasimbi
	CCPC Representative	Mr. Chilufya P. Sampa
	PACRA Representative	Mr. Anthony Bwembya
	ZDA Representative	Mr. Perry Mapani
STAFF AND REMUNERATION COMMITTEE	Board Member representing ZACCI and Committee Chairperson	Mr. George Nonde
	Board Member representing BoZ	Dr. Jonathan Chipili
	MoJ Representative	Mr. Joe Simachela
	ZIHRM Representative	Mrs. Beatrice N. Mwila

Corporate Governance

COMMITTEE	MEMBERSHIP REPRESENTATION	MEMBER
RISK AND AUDIT COMMITTEE	Board Member representing ZICA and Committee Chairperson	Mrs. Ruth S. Mugala
	Board Member representing ZACCI	Mr. George Nonde
	ZICA Risk Expert	Mr. Kapembwa Sindano
	MoF Representative	Mrs. Joyce P. Sundano
	LAZ Representative	Ms. Matilda C. Kaoma
COMPENSATION FUND COMMITTEE	Board Member representing MOJ and Committee Chairperson	Mrs. Natasha N. Kalimukwa
	CMAZ Representative	Mr. Aaron Y. Zulu
	BAZ Representative	Mr. Fanwell Phiri
	ZACCI Representative	Dr. Francis M. Ndilila
	LAZ Representative	Ms. Abigail Chimuka
	MoF Representative	Mrs. Mwila K. Zulu
PROCUREMENT COMMITTEE	SEC CEO and Committee Chairperson	Mr. Phillip Chitalu
	Procurement specialist	Mrs. Mary Banda
	Procurement specialist	Mr. Christopher S. Mwandu
	SEC Member	Mrs. Diana Sichone
	SEC Member	Ms. Mutumboi Mundia
	SEC Member	Mr. Mateyo Lungu
PROPERTY ACQUISITION AND DEVELOPMENT COMMITTEE	Board Member representing PIA and Committee Chairperson	Ms. Mainza Masole
	Board Member representing ZICA	Mrs. Ruth S. Mugala
	MoJ Representative	Mr. Joe Simachela
	Ministry of Works and Supply Representative	Mr. Geoffrey C. Phiri
	Show Society of Zambia Representative	Mr. Vasco Sikanyeu

Audit Function

Apart from being a critical element of corporate governance, the Commission uses audit as one of the most important oversight tools. Overall, the Commission Board has an interest to ensure that it is transparent, responsible, accountable and fair in all its dealings with all types of stakeholders. The Board has delegated, to the Risk and Audit Committee its role of ensuring that the Commission has put in place sound financial management structures and processes, including financial, risk management and internal audit controls.

The Commission's external auditors are appointed by the Commission Board subject to approval by the Minister responsible for finance. The external auditors are required to perform an annual audit and present a report to the Board on the Commission's financial statements as well as stating the level of compliance by the Commission to the law, regulations and policies. The financial statements are thereafter presented to the Minister of Finance as part of the Commission's Annual Report.

The Commission had, until 16th April, 2018, outsourced the internal audit function which was provided by MPH Chartered Accountants. However, due to the substantial increase in audit fees following the passing of the

Corporate Governance

Accountants (Client Fees) Regulations, Statutory Instrument No. 34 of 2018, the engagement was suspended and the Risk and Audit Committee of the Board took up the internal audit function.

The internal audit function is meant to ensure that internal controls are effectively functioning in managing risk in the Commission. This is achieved by internal audit reviewing the control systems for the Commission and providing an independent assurance of risk management of the Commission to the Board.

Commission Secretary

The Commission's Board Secretary is appointed pursuant to Section 17 of the Securities Act and is in charge of the corporate secretarial affairs of the Commission, under the general supervision of the Chief Executive Officer. The law further allows the Secretary to perform other functions directed by the Board under the general supervision of the Chief Executive Officer.

The Director – Enforcement and Legal Services is the Board-appointed Secretary to the Commission Board and performs the secretarial functions as required under the Securities Act.

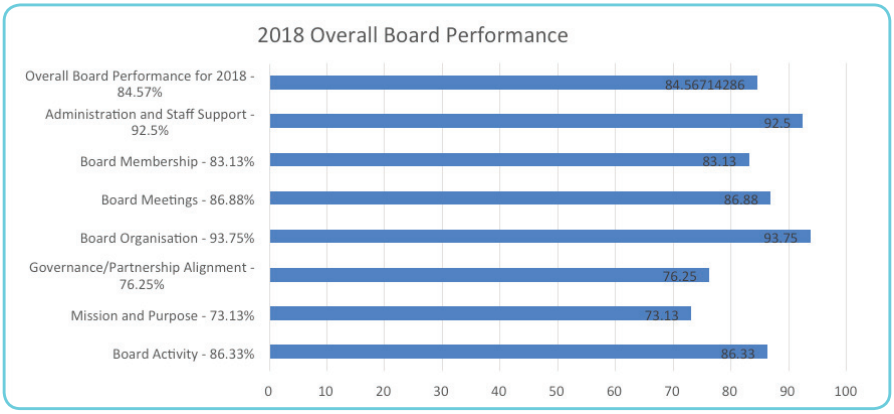
Board Performance Self-Evaluation

In order to assess the effectiveness of the Board, its Committees, and its individual Board Members, the Commission undertakes a self-assessment on an annual basis. The self-assessment, a corporate governance tool, has been done for the last three years at Board level and for the last two years for the Board Committees. The self-assessment provides an indication of the Board's and Committees' performance and highlights areas of improvement.

Overall Assessment of Board Performance in 2018

The Board performance self-evaluation was done for the following eight areas: Board Activity; Mission and Purpose; Governance/Partnership Alignment; Board Organisation; Administration and Staff Support; Time and Location of Meetings; Recording/Minute Taking; and Membership.

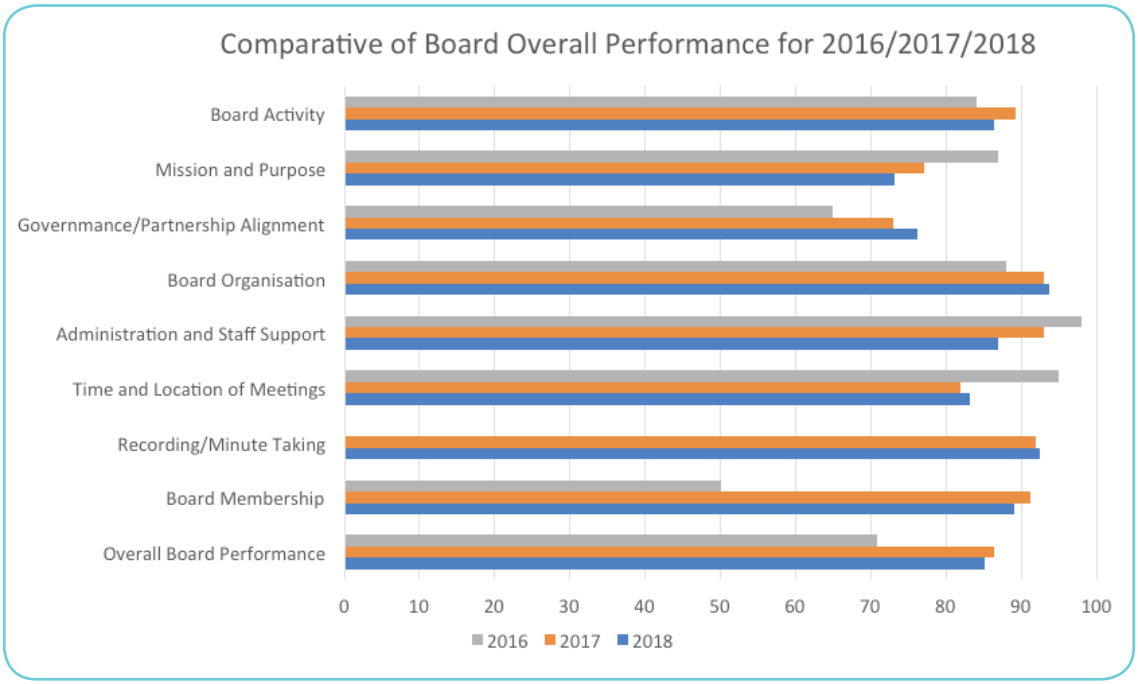
The analysis of each of these areas was done and the results for each area assessed. The following Figure highlights the Board's performance in 2018 as assessed by the Members of the Board. This assessment has revealed an overall Board's performance rated at 84.57% with the lowest rating being the assessment of Mission and Purpose at 73.13% and the highest rating being the assessment of Board Organisation at 93.75%.



Corporate Governance

Comparative Performance over a three-year period

In the next Figure, a comparative analysis of the Board's performance over the three years for which the Board Performance Self-Evaluation has been conducted is made as shown below:



On average, only four out of eight areas assessed have indicated improvements while the other four areas show marginal reductions in the performance rates with the overall Board performance reducing on a comparative basis from 86.32% in 2017 to 84.57% in 2018.

Board Committee Performance

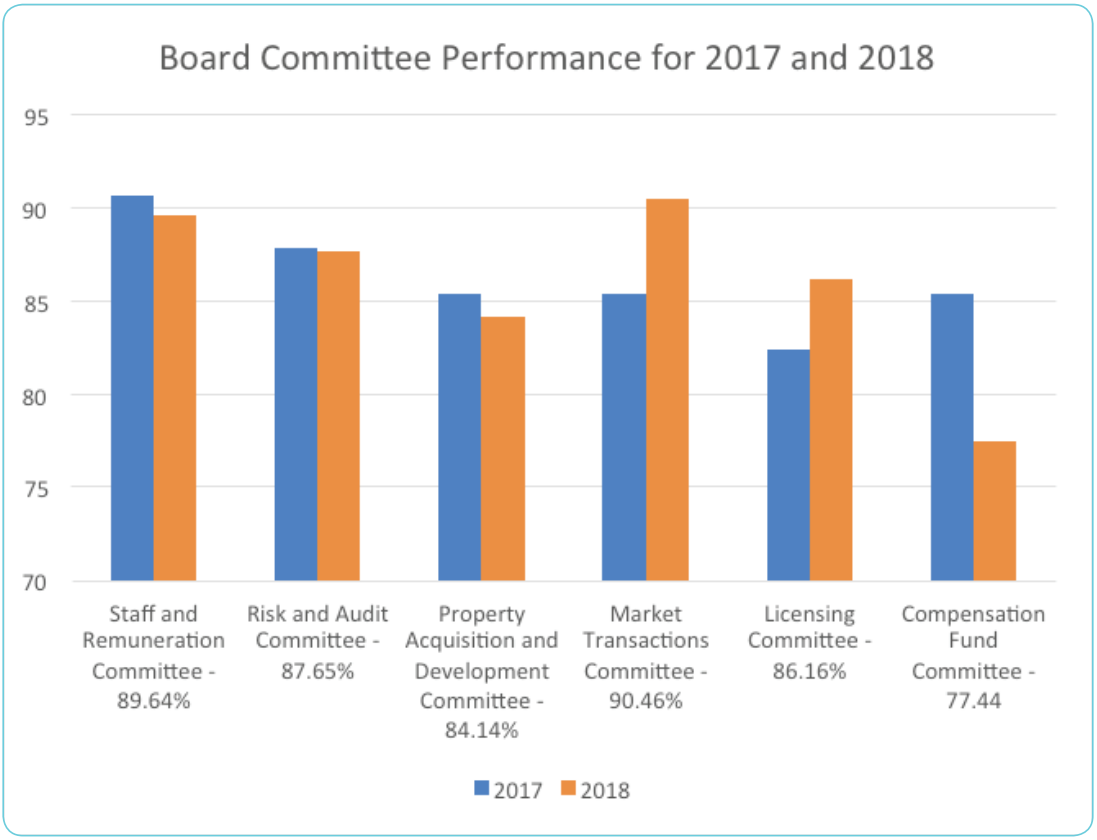
The Commission Board has five standing and one ad hoc Committee. The six Committees' performance was assessed using the same methodology adopted for the Board and which was aimed at identifying strengths and weaknesses, flagging areas for improvement and planning for further action as appropriate.

The self-evaluation was conducted for the following seven areas: Purpose of the Committee; Support for the Committee; Administration and Staff Support; Time and Location of Meetings; Attendance; Recording/Minute Taking; and Membership.

The following table shows a summary of the overall performance of each of the Committees for the last two years:

Corporate Governance

The following table shows a summary of the overall performance of each of the Committees for the last two years:



Diana S. Sichone (Mrs.)
COMMISSION SECRETARY

Report on regulatory and operational efficiency

Section 11(3) of the First Schedule to the Securities Act, No. 41 of 2016 requires the Commission to include, in its Annual Report, information relating to its regulatory and operational efficiency. The Commission is required to highlight the extent to which the Commission has fully implemented its regulatory oversight functions as provided under the Securities Act and in its rules and the effectiveness of the operation of such regulatory oversight function; the actual and projected cost savings to the Government, if any, resulting from the operations of the Commission; the actual and projected costs which the Commission and the public would have incurred if the Commission had not undertaken regulatory responsibility for certain areas under the Commission's jurisdiction; the nature of the working relationship between the securities exchanges, clearing and settlement facilities and the Commission; an assessment of the actual and projected efficiencies the Commission has achieved or expects to be achieved as a result of the continuing regulatory activities of the Commission; and the immediate and projected capabilities of the Commission.

The Commission reports on each of the six areas as follows:

Extent of implementation of the Commission's oversight function and their effectiveness

The Commission Board has a full complement of Members representing different institutions as required under the Securities Act. In addition, the Board has also constituted Committees to assist the Board in exercising its functions under the Act. The Board oversees the administrative affairs of the Commission by putting in place effective, efficient and transparent systems of corporate governance and generally providing strategic direction to the Commission, among other responsibilities.

The Commission's Board Charter also provides guidance to the Board Members in their conduct of Board business to ensure that there is a right balance between the oversight role of the Board and the secretarial function of the Commission. Further, the Commission applies a Code of Conduct to the Commission staff which prescribes the conduct and behaviour of the staff especially with regard to conflict of interest issues.

Both the Code of Ethics and the Board Charter have enshrined provisions and procedures on the declaration of interest and declaration of gifts from any person or entity, whether regulated by the Commission or not. Further, both documents specify the procedures to be taken whenever an employee or a Board Member would like to participate in the capital markets as a player, which guard against trading on non-public, price-sensitive information.

The Commission reports that during the year under review, none of the Board members and staff were sanctioned with respect to this governance structure that is in place.

Cost Savings resulting from the Commission's Operations

One of the Commission's functions highlighted under section 8(b) of the Securities Act include the approval of the Commission's budget estimates to ensure sound financial management structures and processes, including financial, risk management and internal audit controls. The Commission does not spend outside the approved budgeted and prudently manages its resources to achieve its strategic objectives. In this vein, the Commission does not engage in fruitless or wasteful expenditure and pays off all employee liabilities on time whenever they become due.

Report on regulatory and operational efficiency

Cost to the Nation for not having the Commission

In exercising its investor protection mandate, the Commission demands the prompt and full disclosure of non-public price-sensitive information by a company's directors to the general public on the basis of which the investor will make an informed decision. A number of institutional and retail investors have invested more than six billion United States Dollars in the Zambian capital markets. Therefore, if the Commission is not in place or does not undertake its regulatory mandate around ZMW64 billion in savings could be lost and savings mobilization could be affected as financial market confidence would be eroded.

Most of the institutional investors are pension funds which invest employee contributions into several investment portfolios including the capital markets. Without regulation, the investment of the pension funds and individual members of the public would be susceptible to fraud and other criminal activities. The Commission is there to ensure that it protects the interests of investors in the capital markets and in the process ensure maintenance of financial sector confidence which is key to resource mobilisation through bond issuances and other instruments.

Actual and Projected efficiencies the Commission has achieved as a result of the continuing regulatory activities

The Commission has enhanced enforcement activities which has resulted in an increase in compliance by capital market operators which has a corresponding increase in market confidence. This has translated into increased capital mobilisation especially in Collective Investment Schemes (CISs) and Corporate Bonds.

A self-assessment of the Commission's performance during the 2015-2018 strategic planning period with technical support from the Management Development Division of Cabinet Office has revealed that the Commission had an average overall performance with a score of 72 percent. In addition, the assessment revealed that the major achievements were: Increased awareness of stakeholders about capital markets; Increased compliance to regulations in some areas; and The law now requires separation of CSDs from exchanges.

The Commission Board has, for the 2019 period, approved the following Key Performance Indicators (KPIs) to enable the Commission achieve its strategic objectives in an efficient and effective manner:

(a) increase of the investor base from 30,000 to 80,000;
(b) issuance of the following five (05) regulations in 2019:
    (i) the Securities (Registration of Securities) Regulations, 2019;
    (ii) the Securities (Capital Market Operators) (General Licensing Procedures and Requirements) Rules and Regulations, 2019;
    (iii) the Securities (Collective Investment Scheme) Rules and Regulations, 2019; and
    (iv) the Securities (Fees and Levies) Rules, 2019; and
    (v) the Securities (Financial Technology) Rules, 2019.
(c) enhancement of revenue mobilization by achieving revenue targets as per the 2019 approved budget by carrying out the following activities:
    (i) collect 90% of all invoices issued for Statutory fees as per Statutory Instrument No. 82 of 2013;
    (ii) carry out regular follow ups on outstanding GRZ Grants; and
    (iii) ensure that the Commission's expenses are line with budget and available cash flows.

The Commission believes that the implementation of these performance indicators will enhance the Commission's regulatory efficiencies.

Report on regulatory and operational efficiency

Nature of the working relations with Capital Market Operators

The Commission endeavours to continue building a professional working relationship with capital market operators. It is approachable and capital market operators are free to consult with and meet with the Commission at short notice on various regulatory issues. In addition, the Commission holds regular stakeholder meetings including the annual capital markets operators' forum, the quarterly Chairman's breakfast meeting with the market, and other regular market meetings. Further, the Chief Executive Officer also conducts media briefs on a regular basis to inform the market on the latest developments in the capital markets. To further enhance these relationships, the Commission, as required by the Securities Act, has encouraged the capital markets operators to join the Capital Markets Association (CMAZ) so that communication with the market is further enhanced.

Immediate and Projected capabilities of the Commission

The Commission cannot over emphasise the importance of capacity building and therefore staff training has been prioritised to ensure that the Commission is always in tune with current developments in the capital markets space. The Commission staff undergo various trainings facilitated by the Toronto Centre, the International Organisation for Securities Commissions (IOSCO), the Chartered Institute of Securities and Investments as well as by the Zambia College of Pensions and Insurance Trust, among others.

The immediate capabilities include the revision to the Rules and Regulations so that the Commission has adequate tools to supervise the market. In this case, the Commission plans to issue at least five rules and regulation in 2019. With resources permitting, the Commission has also planned to move the supervisory approach to risk based supervision within the next 3 years. This will ensure that the Commission uses the limited resources to addresses risky areas of the market.

Operational Activities

The Securities Act, No. 41 of 2016 is the principal Act for the regulation of the Zambian securities market. The Securities and Exchange Commission (SEC) has as a mandate to protect investors and ensure that the markets are free, fair and transparent. The Commission therefore adopts a supervision strategy for capital market players or intermediaries that ensures the protection of the investing public.

The Commission has a dual mandate of investor protection and market development. Investor protection is done through various ways including the registration of securities, the licensing and authorisation of capital market operators and the supervision of capital market operators to ensure that they are in compliance with the requirements of the law. The role of market supervision and market development is performed by the Directorate of Market Supervision and Development ("DMSD").

MARKET SUPERVISION

The Commission is responsible for the supervision of capital markets operators. The Commission undertakes its supervisory function through undertaking a number of activities, including licensing, inspections, monitoring and surveillance. A key objective is to ensure capital markets operators comply with the Securities Act and its subsidiary legislation, thus ensuring a secure, fair and orderly investment environment that enhances investor and public protection and promotes an orderly development of the industry.

Zambia's Capital Market Players

The players that operate in Zambia's Capital Markets industry consist of brokers/dealers, investment advisers, securities exchanges, central securities depositories, issuers, fund managers, credit rating agencies, investment banks, transfer agents among others. The full list of capital markets players and their contact details is provided in Appendices II and III.

Licensing

Licensing, being at the forefront, sets high regulatory standards at the very outset to fulfil the Commission's mandate which is designed to ensure investor protection and support the operation of a free, orderly, fair, secure and properly functioning Securities Market. Licensing acts as the entry point into the Securities Market by capital markets operators. Therefore, the SEC strives to strike the right balance between its business-friendly approach and complying with international regulatory standards.

In line with its endeavour to align its processes to international best practices and to embrace modern regulatory approaches, the SEC constantly ensures that these practices are embedded into its operations at the licensing stage. As a result, this provides for a more cohesive and transparent framework guiding further improvements in the Commission's regulatory approach.

The licensing procedure is clearly defined in the Securities Act and rules, regulations, directives and guidance notes issued by the SEC. At Licensing, the SEC has in place a transparent and well-established set of procedures leading to the issue of a licence or the rejection thereof.

Operational Activities

The regulatory power of the Commission is anchored upon four pillars as follows:

a) Any person dealing or advising on securities must be licensed by the Commission;
b) Any securities market must be authorized and licensed as a securities exchange by the Commission;
c) All securities of a public company which are publicly traded must be registered by the Commission; and
d) Collective Investment Schemes (CISs) must be authorized by the Commission.

In assessing applications, the SEC is required to conduct a number of assessments - including the fit and proper test of applicants. In conducting the fit and proper test, the Commission assesses the financial soundness of the applicants, lawfulness and moral standards of the proposed activity, source of funds of the proposed activity, integrity of the shareholders, directors and key managers and any other relevant issues. For corporate applicants the Commission also analyses beneficial ownership information to ensure that only people of high integrity can operate in the Capital Markets. Where applications may cause harm to the good repute of the jurisdiction, such applications are recommended for rejection.

Licences Issued for the year 2018

The Zambian Capital Markets continued to gain momentum and systemic importance in the year under review. The Commission continued with its role of ensuring that only fit and proper persons were allowed to conduct securities business and offer regulated services to the investing public.

For the year ending 31st December 2018, the Commission had issued 252 licenses. A breakdown of the valid licenses (by license type) as at 31st December 2018 is provided in the table below:

License type	31stDecember 2018	31st December 2017
Dealer's License	33	35
Dealer's Representative License	186	166
Investment Advisor's License	10	11
Investment Advisor's Representative License	20	28
Securities Exchange License	3	3
Total	**252**	**243**

Compliance

Compliance entails ensuring that persons authorized/licensed to operate in the Zambian Capital Markets, including listed and quoted businesses; collective investment schemes (CISs); exchanges; brokers; investment advisers; representatives; custodians; trustees; etc. adhere at all times to continuing obligations as set out in the Securities Act.

- As part of its inspections, the Market Supervision Team reviews and assesses the licensed persons' work procedures & their compliance to the Act, Rules and Directives.
- Issuers, CISs and investment companies are also specifically monitored for purposes of compliance with continuing obligations

Operational Activities

- Focus is also given to compliance with the SEC's Anti-Money Laundering & Countering the Financing of Terrorism Directives and other related laws. The SEC works closely with the Financial Intelligence Centre and the National Anti-Terrorism Centre in coordinating all Anti-Money Laundering & Anti-Terrorism related matters.

Capital markets players are required to submit to the Commission monthly, quarterly and yearly returns. For example, fund managers are required to submit monthly and quarterly returns, which the SEC uses to monitor the funds' investments and also help assess safety of the funds. The CIS industry had ten (10) fund managers who managed about 33 sub funds. A CIS that is established under trust is required to appoint a trustee whilst all other types of CISs are allowed to appoint a custodian. The prevailing scenario is that all CISs operating in Zambia have contracted custodial services thereby securing the assets of the investors at one of the two authorised custodians. In addition, the SEC collates data that is useful for assessing the growth or otherwise of the CIS market. As at 31st December 2018, the funds held under management were distributed as follows:

		12/31/2018	12/31/2017
		Market Share	Market Share
Name of Fund	**Name of Fund Manager**	%	%
Mpile Unit Trust	African Life Financial Services Limited	46.26%	61.04%
ABC Unit Trust	ABC Investment Services Limited	25.83%	13.44%
Madison Unit Trust	Madison Assets Management Company	17.06%	13.69%
Kukula Fund 1	Kukula Capital Plc	4.66%	5.25%
Intermarket Unit Trust	African Life Financial Services Limited*	1.27%	1.47%
Laurence Paul Unit Trust	LP Investment Services Limited	1.28%	2.59%
Mukuyu Growth Investment Fund	Minet Zambia Consulting Limited	1.87%	1.60%
Equity Capital Resources Unit Trust	Equity Capital Resources Plc	0.96%	0.70%
Altus Unit Trust	Altus Capital Limited**	0.39%	0.00%
Hobbiton Unit Trust	Hobbiton Investment Management Ltd**	0.42%	0.00%
Total		**100.00%**	**100%**

*African Life Financial Services is interim Manager for Intermarket Unit Trust

Inspections

For the year 2018, the SEC carried out off-site and on-site inspections. Eight (8) of the Capital Markets players were subjected to either for-cause (targeted) or routine inspections. The Commission also sanctioned/penalised Capital Markets players found wanting in line with the Securities Act.

Surveillance

Market surveillance continues to be one of the key functions undertaken by the Commission. It entails monitoring trade operations by using daily analysis of market trades, writing periodic reports, investigating anomalies and other activities. It also involves analysing information gathered through complaints, social,

electronic and print media, among others. The goal is to ensure compliance by the Capital Markets Operators to the SEC rules and regulations, in order to regulate the market and provide the necessary protection to investors.

As part of surveillance, the Commission continued to attend, in an observer capacity, Annual General Meetings (AGMs) of listed and registered entities. During the year our market surveillance team attended AGMs for most of the listed companies and the following items were noted:

- Attendance; Most of the AGMs held in the period under review were well attended and compliant in terms of holding the meetings within the stipulated time. The Commission however noted a few poorly attended meetings. This is a matter of great concern to the Commission.

- Investor Participation; Investors generally participated in the deliberations of the meetings and almost all of the issues raised by investors during the AGMs were well responded to by most companies. Some investors also seemed well involved in the monitoring of the performance of the companies in which they have invested. The Commission noted however that there were some instances when listed entities did not completely provide information requested for by investors, a matter the Commission followed up on.

Complaints Handling

The Commission continued to receive complaints from members of the public in relation to securities business. During the review period, the Commission received nineteen (19) complaints. The complaints related to various aspects of challenges faced by some investors including and claims for funds not being received after sale of shares, untraceable shares etc. Ten (10) of these complaints have been closed while the rest are still being investigated.

MARKET DEVELOPMENT

Familiarization Meeting with the Ministry of Finance

The Securities and Exchange Commission (SEC) organized a half-day familiarization meeting for officials from the Ministry of Finance at the SEC Offices on 16th January 2018. The MoF delegation comprised a team of seven (7) officials from the Financial Sector Policies and Management Unit which is responsible for the co-ordination and the implementation of the National Financial Inclusion Strategy (NFIS).

Agenda items that were discussed during the meeting included:

- ✓ The role of the Securities and Exchange Commission (SEC) and how the Capital Markets function fits into the financial sector and economic development agenda;
- ✓ An update on current, on-going and up-coming developments within the capital markets sector such as laws, policies and strategies.
- ✓ The appointment of SEC as the Secretariat for the Capital Markets Working Group under the NFIS and its role as a lead entity among other lead organizations in the implementation of activities set out in the NFIS;
- ✓ Challenges faced by the Securities and Exchange Commission (SEC);
- ✓ A summary review of SEC's 2018 planned activities that are related to implementation of the NFIS Action plan; and
- ✓ The kind of support required from the Ministry of Finance and measures to be undertaken to enhance collaboration between your institution and MoF.

Operational Activities

Going forward, the Securities and Exchange Commission and the Ministry of Finance agreed that it was imperative for the two Institutions to collaborate in the implementation of the National Financial Inclusion Strategy and the overall economic developmental agenda of Zambia.

2018 World Consumer Rights Day

In its efforts aimed at enhancing financial consumer protection and capability, the SEC partnered with the Competition and Consumer Protection Commission (CCPC) in commemorating the World Consumer Rights Day (WCRD) under the theme 'Promoting E-commerce without living consumers behind'. Through Hot FM's call-in radio programme 'Consumer Feedback', the SEC addressed consumer rights issues related to capital markets that were raised by the general public. These mainly included issues on know your customer requirements and complaints resolution channels (among others).

Launch of the 2018 Capital Markets Schools Challenge

The Commission launched the 2018 Capital Markets Schools Challenge for Copperbelt Province on 23rd March 2018 at Levy Mwanawasa Stadium in Ndola. The launch was well attended, having over 350 participants, comprising mainly; teachers and pupils from the ten (10) Copperbelt Districts; financial sector representatives and stakeholders such as financial education providers; senior government officials; and media houses among others.

Participants welcomed the Schools Challenge as being a useful and practical educational tool for empowering pupils as it gives them an opportunity to learn about the capital markets. The Challenge also helps the pupils to understand and appreciate the importance financial planning principles as they prepare for their future well-being.

Twenty-five (25) schools registered and took part in the competition which ran for a period of 12 weeks. The SEC plans to award deserving schools that participated in the competition.

Participating pupil seeking clarification during the launch of the Schools Challenge in Ndola.

Going forward and resources permitting, the Commission seeks to continue a phased roll-out of the Schools Challenge to other provinces. We believe this shall narrow the existing knowledge gaps among learning institutions in the Country.

Operational Activities

2018 Financial Literacy Week

In its efforts aimed at educating children; youth and adults on key financial matters, the SEC partnered with co-sector regulators and associations in the organization and implementation of the annual Financial Literacy Week. An annual awareness and sensitization campaign aimed at providing general public with knowledge, skills and understanding on personal financial management concepts. The campaign ran under the theme 'Save, Invest, Insure – to Live a Better Life' from 18th to 25th March 2018. As the campaign was a build up from the previous year, theme messaging touched on the financial needs and obligations through key life events of an individual such as; education; marriage; and home construction among others. Further, the theme focused on helping people understand which products are suitable for them depending on their life stage.

The SEC adopted to the Copperbelt Province where it led and coordinated activities for the 2018 FLW. The flagship event was the launch of the above-mentioned Capital Markets Schools Challenge for the Copperbelt Province. Other activities included; an official launch at Levy Mwanawasa stadium; a public exhibition at Mukuba mall; market activities at Masala market; education through print and electronic media.

Toronto Centre Leadership Program for Securities Regulators

The SEC partnered with the Toronto Centre of Canada and undertook a leadership training programme for Securities Regulators on international standards, regulatory surprises and crisis management Surveillance with a key focus a key focus on Surveillance. The programme took place from 5th to 8th March 2018 at Twangale Park in Chilanga. Participants included representatives from; the Bank of Zambia (BoZ); the Pensions and Insurance Authority (PIA); and the Lusaka Securities Exchange (LuSE) Plc.

Group Photo taken during the Toronto Centre Leadership Programme at Twangale Park in Chilanga.

Operational Activities

Stakeholder Engagement with the British Chamber of Commerce

As an extension of the above-mentioned programme, the SEC and the Toronto Centre partnered with the British Chamber of Commerce and held a special capacity building session for Small and Medium Sized Enterprise. The theme of the session was dubbed **'Small and Medium Enterprises (SMEs) financing through Capital Markets – A Regulators perspective'** and took place at Southern Sun Hotel on 6th March 2018. The engagement covered mainly:

i) Regulatory and other challenges facing SMEs in small business capital formation; and;
ii) Ways in which securities regulators can help to overcome these challenges.

Through a question and answer session, expert panelists from both the Public and Private sector engaged participants in discussions on issues relating to promoting growth of SMEs as well as interventions on how to overcome existing challenges that inhibit access to long-term financing for SMEs. Factors contributing to limited access to long-term financing through capital markets by SMEs among others, included; inexistent proper Corporate Governance structures; inadequate histories of financial statements; and lack of attractive business plans were highlighted.

Representatives of Small and Medium Enterprises in attendance during the Stakeholder engagement at Southern Sun Hotel in Lusaka

Operational Activities

Update on the implementation of the National Financial Inclusion Strategy

As primary entity for the coordination and implementation of objectives related to Capital Markets in the National Financial Inclusion Strategy, the SEC has since constituted the Capital Markets Working Group composed of both public and private sector institutions. To kick-start implementation, the Commission hosted an Inception meeting on 20th February 2018 where substantive working group members where taken through key items outlined in the Strategy such as; the governance/coordination structure; terms of reference for the working group; proposed activities within the NFIS et cetera. Further, a key area that was discussed was the imminent development of a ten-year Capital Markets Master Plan. Working group members appreciated the preliminary steps that undertaken regarding the Master Plan, particularly the outcomes of the Capital Markets Indaba held in April 2017.

Capital Market Operators Workshop

The SEC held a two-half day workshop for Capital Market Operators on 4th to 5th April 2017. Taking an interactive approach, the following presentations formed the basis of discussions with market players:

i) Findings from thematic reviews in 2017 (Anti Money Laundering/Combating Financing of Terrorism Regulations and Continuing Obligations for Issuers);
ii) Progress on the development of the framework for accountants and auditors working in capital markets;
iii) Market development updates;
iv) Draft Statutory Instrument on Fees and Levies Rules; and
v) Kay Fact Statement for Collective Investment Schemes and draft Statutory Instrument.

Deliberations were successful and worth to note was a request to for the SEC to undertake more stakeholder engagements.

CISNA Bi-Annual Meeting

The 40th Bi-Annual CISNA Meeting was held in Seychelles from 18th to 20th April 2018. The department was represented on the Capital Markets Sub-committee and the Committee for Financial Education.
Three (3) model laws were approved during plenary session. The Model laws that were approved were as follows:

i) Collective Investment Schemes;
ii) Central Securities Depository (CSD) and CSD participants; and
iii) Pensions.

The SEC presented a paper for Guidelines and Principles for Financial Education under the Committee for Financial Education. The paper was partly based on the Organisation for Economic Cooperation and Development (OECD) Guidelines and Principles. The committee deliberated on the guidelines and found them appropriate for use by members in the CISNA community. The document has been submitted to CISNA Secretariat to be presented to the Legal Committee for approval.

Other deliberations included the sharing of country reports on activities undertaken and application of best practice adopted by the committee during the 39th CISNA Meeting. These were inherent in the uniform

messaging around the themes for investor education which where suggested to ensure consumer education encourages the following: -

i) Consumer rights and responsibilities;
ii) Importance of using registered entities; and
iii) Being a responsible borrower.

As members of OECD, South Africa encouraged other countries to subscribe and become members to benefit from current and trending technologies being developed around financial education. It was announced that the 2019 OECD conference will be held in South Africa Cape Town and encouraged CISNA member countries to participate.

The Capital Markets Sub-Committee discussed the following matters:

i) IOSCO membership presentation: This was part of the initiative by the Committee to ensure that all CISNA members attain full IOSCO membership. The Membership currently stands at 5 full members and 4 Associate members out of 14 CISNA members. Members were also encouraged to participate more in IOSCO activities (especially the Growth and Emerging Market (GEM) and AMERC). This is the best way for members to benefit from IOSCO membership.
ii) Status update from the Committee of SADC Stock Exchanges (COSSE): COSSE highlighted that they are currently working on a project to ensure that secondary trading of bonds was undertaken on Securities Exchanges in all the SADC countries. They highlighted that they would be making presentations to the Committee of Central Bank Governors.
iii) Review on the status of ongoing projects: The CMS had 30 projects running. Two projects relating to model laws were completed in the 6-month period to April 2018. Of the remaining 28 projects, two were 75% complete, while a further 7 were 50% complete. The rest of the projects were below 50% completion.

IFIE – IOSCO Global Investor Education Conference

The SEC participated at the International Forum for Investor Education – International Organization for Securities Commissions Global Investor Education Conference under theme **'Building Lifelong Financial Resiliency in a Changing Environment'** in Tokyo, Japan from 9th to 11th April 2018. The conference focused on improving financial resilience for individuals and the organizations that serve them by addressing emergent trends especially around the development of financial technologies such as Cryptocurrencies and Initial Coin Offerings (ICO) as well demographic challenges regarding natural disasters among others.

Participation at the international forum was beneficial as it enabled information exchange through panel discussions and breakout sessions as well as access to country specific case studies and investor education material.

Worth noting is the establishment of the African Chapter which was formed for the first time. However, only two countries are members of this Chapter, these being; South Africa and Kenya. Going forward, the SEC considers joining as a member of the IFIE. This will allow active participation in regular web-based discussions and access to on-going/upcoming trends in the realm of investor education.

Operational Activities

Copperbelt Agricultural Mining & Industrial Trade Expo

For the first time, the SEC participated in the Copperbelt Agricultural Mining & Industrial Trade Expo (CAMINEX) from 5th to 7th June 2018. The theme was "Repositioning for Environmentally Sustainable Economic Growth".

CAMINEX is an exhibition focusing on entities in the mining sector but is also open to participation by entities in other sectors such as transport, finance, agriculture and so on. Our participation allowed for us to network with other exhibitors, both local and international. Our main proposition was to raise awareness about the opportunities for raising long term capital using the various capital markets platforms and products. Our tagline was "Capital Markets: Enablers of Sustainable Economic Growth". The show was over a three-day period and included stand tours from the President of the Republic of Zambia and senior government officials.

SEC, LuSE and CMAZ Officers at the CAMINEX

Based on the SEC's articulation of the theme and the exceptional outlook of the stand, we were awarded 3rd place in the Regulatory Organization category.

Out of the networking during the show, the Commission was invited to attend a workshop on Small Scale Mining working closely with the mining sector to develop financing solutions for small scale miners from 9th to 13th July 2018.

Inspections Methodology and Supervisory Masterclass

The SEC held a 3-day Executive Programme in Supervision Strategy: Inspections Methodology (Market Conduct) from the 11th to 13th June 2018. The Inspections Methodology Masterclass was a training targeted at regulatory professionals in the financial sector for staff at all levels especially in supervision and enforcement. The content of this Masterclass was designed to provide insight into a wide range of inspection types (off-site or on-site inspections; routine, risk-based, thematic, and incidental inspections; inspections).

The programme was open for participation by other local and regional financial sector regulators. Locally the Bank of Zambia (BoZ) was represented whilst securities regulators from Zimbabwe, Namibia, Uganda and Angola also participated.

Further, the SEC hosted a regulatory Masterclass was on 15th June 2018 in Lusaka. The aim of the class was to enable regulators and market operators to gain a deeper understanding of each other's perspectives; the interaction between regulator and market operators; the role of trust and scepticism in this interaction; and the impact of this interaction on compliance and market development.

Operational Activities

Market Operators participating in the Regulatory Relations Master Class

Bond Market Development Workshop

The SEC in collaboration the Bank of Zambia, ACI and Frontclear held a stakeholder's Forum to support Zambian bond market development on 6th July 2018. The forum provided an opportunity to review the primary challenges to stable, liquid and participatory money markets and to jointly identify and commit to remedial actions.

Mr. Eric Vandjik of Front Clear making a presentation

Participants comprised of representation from both the banking and capital markets sectors. The discussions were insightful and allowed for debate on some topical developmental initiatives such as the Bank of Zambia's imminent development of an electronic trading platform for bonds.

Review and update of the National Strategy on Financial Education

Following the expiry of the National Strategy on Financial Education (NSFE) in 2017, the SEC alongside other stakeholders is in the process of updating the NSFE II. As such, the SEC is represented on the NSFE II drafting committee for the second Strategy. Key stakeholders include the Ministry of Finance (championing the task), the Bank of Zambia, the Pensions and Insurance Authority (PIA), the Competition and Consumer Protection Commission (CCPC), the Ministry of Education (MoE), the Ministry of Higher Education, Financial Sector Deepening Zambia (FSDZ), Rural Finance Expansion Program (RUFEP). The drafting process commenced on 24th June, 2018 and is scheduled for launch in 2019.

Operational Activities

2018 Financial Literacy Awards

Following the commemoration of the 2018 Financial Literacy Week, the Bank of Zambia Governor in his capacity as the Champion for financial literacy in Zambia hosted the 2018 Financial Literacy Awards. The awards are undertaken give recognition to deserving individuals and institutions that have made outstanding efforts to further financial education.

Three individuals received awards in the category of individuals that have contributed towards enhancing investor education.

ZAF Presentation

The SEC was invited to make a presentation at the 2018 Zambia Air Force Seminar held on 25th July 2018 for officers in the Administration Department. As such, a presentation highlighting the significance of capital markets as enablers to wealth creation was made.

Alongside the presentation, the SEC arranged for capital market operator's mini exhibition showcasing various Collective Investment Schemes (CIS) products currently offered in Zambia. Staff members of ZAF had an opportunity to interact with capital market operators and SEC staff as they addressed various capital markets related questions.

State Owned Entities Round Table Forum

The SEC in collaboration with the Industrial Development Corporation (IDC) hosted a half-day State Owned-Enterprise Round Table Forum at Taj Pamodzi Hotel on 31st July 2018.

The Round Table was aimed at providing a deliberative platform that would encourage SOEs to participate in capital markets through listing or otherwise. Further, the forum made it possible for the SEC, capital market operators and other key stakeholders, to highlight critical information on how SOEs would be enabled to strengthen their portfolios through amenable financing mechanisms including adherence to proper corporate governance models, which are perceived to be weak by the public.

Alongside presentations by the SEC and the IDC, the SEC facilitated a synopsis of success stories (as mentioned above) in capital markets made in form of presentations by representatives from Safaricom of Kenya and Zanaco Bank Plc. The dual presented their respective organisational case studies that unveiled inspirational experiences of how their Organisations have benefited from listing on the Stock Exchange. Presentations made were a pre-cursor to an active and honest deliberation.

Operational Activities

Ambassador Mumba Kapumpa moderating at the SOE Forum

There was a general consensus among stakeholders and SOEs present expressed a genuine willingness to participate in the capital markets. As such, the SEC in collaboration with the IDC, the Lusaka Securities Exchange Plc., and Capital Market Operators indicated their commitment to support and give guidance to SOEs so as to make their participation a reality.

CISI Marketing Event /Development of the CISI Regulatory Module

The SEC in collaboration with the Chartered Institute for Securities and Investments (CISI) and the Capital Markets Association of Zambia (CMAZ) held a breakfast meeting on 16th August 2018. The objective of the event was to raise awareness about the full continuum of the CISI qualifications. In addition, the meeting sought to share the vision with respect to the proposed certification programme vis-à-vis the SEC's agenda to facilitate capacity building programmes.

Following the successful introduction of the International Introduction to Securities and Investments module, the SEC, CISI and CMAZ embarked on a plan to develop the regulatory module suited to the Zambian setting. A draft manual for the module has since been developed by a consultant contracted by the CISI. The SEC has reviewed the draft manual and submitted its preliminary comments to the CISI. Once the draft is finalized and SEC grants a no objection, the module shall be introduced in the market.

It is envisaged that the local regulatory module will assist to equip practitioners with the necessary knowledge about the Zambian legal and regulatory framework in respect to the securities industry. In this regard, CMAZ and ZCPIT are spearheading this initiative in collaboration with CISI subject to SEC's approval.

DMSD Planning Meeting for 2019

The Directorate for Market Supervision and Development held a two (2) day planning meeting on 25th and 26th October 2018 at Tiffany's Canyon in Shimabala. The purpose of the meeting was mainly to:

- Review the DMSD's performance vis-à-vis planned activities in 2018;
- Review and understand the new Strategic Plan 2018 – 2021; and
- Initiate planning and budgeting for 2019 activities in line with the Strategic Plan 2018 – 2021.

A draft implementation plan was developed and submitted for consolidation into the overall SEC's Strategic Planning Implementation Plan. DMSD further embarked on the development of its annual activity plan for 2019, which was finalised and approved.

Operational Activities

Commemoration of the World Investor Week 2018

For the second time, the SEC partnered with the International Organization of Securities Commissions (IOSCO) and the local capital market community to commemorate the 2018 World Investor Week (WIW), under the theme 'A Smart Investor through Capital Markets'. The commemoration was held from 1st – 7th October 2018. The objective of the WIW is to disseminate key messages that further enhance investor education and protection, as well as financial literacy and fostering learning opportunities for investors.

A team of Capital Market Operators geared up for an awareness activity

A senior citizen seeks information on Capital Markets

Some activities undertaken during the WIW 2018 campaign included the following:

✓ **Stakeholders planning meeting:** A preliminary stakeholders planning meeting was held at the SEC offices on 30th August 2018. The objective of the meeting was to inform stakeholders about the WIW 2018, discuss the concept note and to get their buy-in.

✓ **Pre Launch Radio Interview:** The SEC featured on UNZA Radio on 26th September 2018 to explain the objectives of the WIW 2018 and planned activities to be undertaken during the awareness and sensitization campaign.

✓ **Public exhibition by stakeholders:** The SEC facilitated a capital market operators' public exhibition on Saturday, 6th and Sunday, 7th October 2018 at Novare Great North Road Mall. Market players took time to educate and sensitize passers-by on among other things, characteristics of being a smart investor through the capital markets, the types of products offered, and the benefits and risks associated with investing. Account opening for investment products was also made possible for potential clients that showed interest. Between 300 to 500 mall goers visited the exhibition stands over the two days.

✓ **Media activities:** The SEC developed daily educational media messages based around the theme for dissemination on social media platforms such as Facebook, Twitter and WhatsApp. Throughout the week, capital market professionals also featured on various radio channels disseminating information about capital markets.

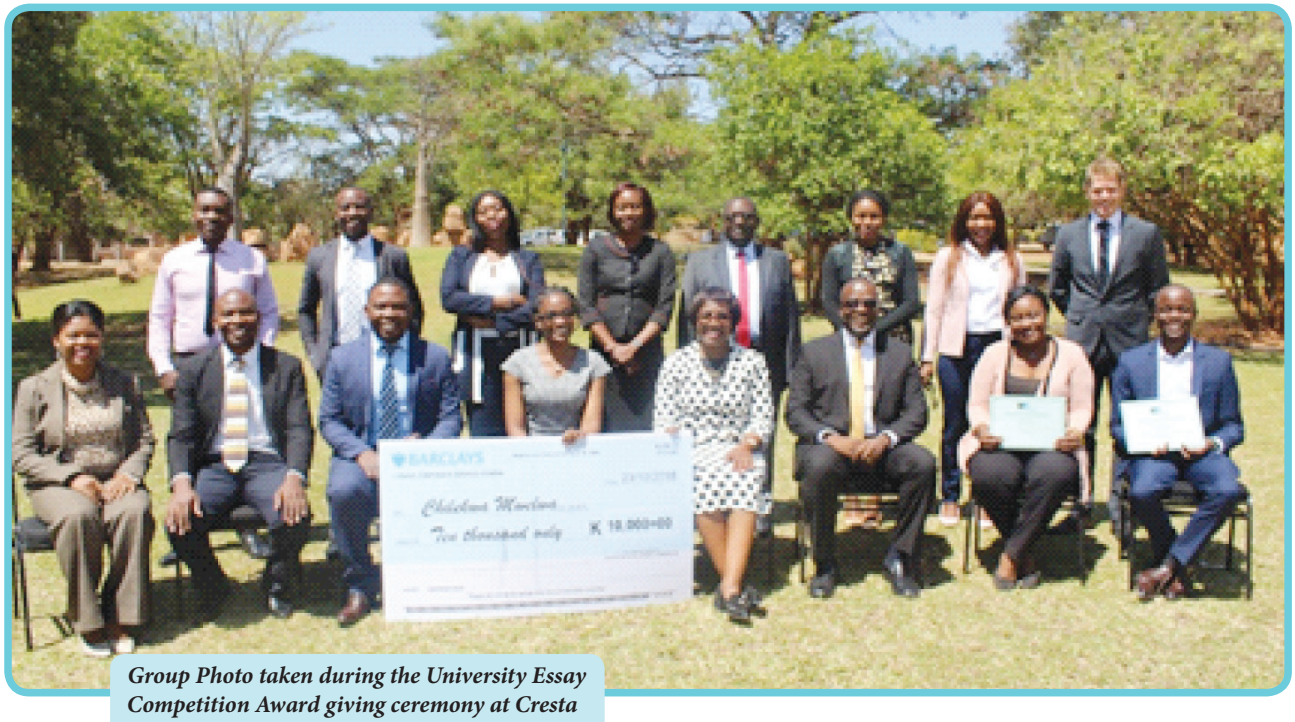
Operational Activities

World Savings Day 2018 Media Brief, University Essay Competition Awards and SEC Quarterly Media Brief

The SEC held a three-fold event on 23rd October 2018 at Cresta Golf View Lusaka, namely: the World Savings Day (WSD) 2018 Media Brief; the University Essay Competition Awards Ceremony; and the SEC Quarterly Media Brief.

✓ World Savings Day 2018: As part of the Organizing Committee for the World Savings Day, the SEC hosted a pre-launch media brief. The objective of the WSD 2018 was essentially to build momentum through media houses by outlining the objectives of the WSD, calendar of activities and to lobby for stakeholder support/participation.

✓ University Essay Competition Awards: As a close to the University Essay Competition launched in December 2017, the SEC hosted Awards for deserving students that participated on 23rd October 2018 at Cresta Golfview. One hundred and two (102) essays were submitted by students from sixteen (16) Universities (public and private). After a rigorous adjudication process by a panel of capital market professionals, three students emerged as winners.



Group Photo taken during the University Essay Competition Award giving ceremony at Cresta Golfview - Lusaka

✓ SEC Quarterly Media Brief: The SEC held its quarterly Media Brief and the event gave an opportunity for SEC senior management to have an intimate discussion with media representatives, particularly about the media's perspective of SEC and potential areas were engagement between the two parties can improve.

The media houses acknowledged their low participation in capital markets related activities and acknowledged that there was need to do more, given the importance of the capital markets as an enabler for economic growth. Further, the media representatives indicated that lack of access to information

on capital markets related activities to a great extent inhibited reporting on the capital market. A key recommendation was for the SEC to consider facilitating regular media trainings and also to make a deliberate office to constantly engage with media houses. The SEC Strategic Plan 2018 – 2021 pledges to put in place a stakeholder engagement and communication strategy. As such it is envisaged that the concerns from the journalists will be addressed going forward.

2018 World Savings Day

On 31st October 2018, the SEC in collaboration with co-sector regulators namely; the Bank of Zambia (BoZ) and the Pensions and Insurance Authority (PIA) including various stakeholders, joined the rest of the World in commemorating the World Savings Day (WSD) 2018 under the theme **'Save, Invest, Insure – What do you wish for?'** The annual awareness and sensitization campaign sought to promote a savings culture among Children, Youths and Adults. Theme messaging during the WSD 2018 placed emphasis on how an individual or organisation and the economy at large can secure their future financial well-being through adopting a savings culture.

Planned activities during the WSD 2018 included some of the following:

✓ **Media Brief:**
As mentioned above, the SEC facilitated and hosted a pre-launch WSD 2018 media brief on behalf of the WSD Organizing Committee at Cresta Golfview Lusaka. The event was attended by representatives from various media houses, the Ministry of Finance (MoF), the Bankers Association of Zambia (BAZ) Secretariat, the Bank of Zambia (BoZ), and the German Savings Banks Foundation for International Cooperation (SBFIC).

✓ **Official Launch and Public Exhibition:**
Commemoration of the WSD 2018 was officially launched by the Champion for Financial Education and Governor of the Bank of Zambia at the University of Zambia on 31st October 2018. The launch was attended by senior financial sector representatives (public and private sector), government officials, university students and various stakeholders. The launch was characterized by two (2) Flagship activities which included; an inter-school debate award giving ceremony; and a WSD 2018 public exhibition by financial service providers.

✓ **Inter-school debate:**
University students were engaged to provide their perspectives on savings through an inter-school debate competition which ran from 29th – 30th October 2018 at the University of Zambia. Eight (8) leading universities were invited to discuss various issues in the context of savings in relation to Banking, Capital Markets, Pensions and Insurance. This interaction provided key stakeholders an opportunity to get a different perspective of the subject matter and to partner with youths as they are critical partners in financial sector development. Below is the list of participating Universities:

Operational Activities

No.	Name of University	No.	Name of University
1.	Cavendish University	5.	Rusangu University
2.	Copperbelt University	6.	University of Lusaka
3.	DMI St. Eugene	7.	University of Zambia
4.	Mulungushi University	8.	Zambia Centre for Accountancy Studies

Inter-school debate participants and senior financial sector representatives pose for a Group Photo during the WSD 2018 Launch at the University of Zambia

Zambia Institute of Marketing 22nd Annual Conference

The SEC participated at the 22nd Zambia Institute of Marketing (ZIM) Annual Conference held under the theme 'Anchoring Marketing for Prosperity' in Livingstone from 27th to 30th November 2018. The Conference was launched by the Minister for Commerce, Trade and Industry and attended by both foreign and local stakeholders who shared knowledge through presentations and master classes. The presentations and master classes served as great learning opportunities for SEC staff. Worth to note is an appreciation of data analytics and use of research as a basis

to make informed market development decisions (among other things). For the SEC, this is a very important component to consider during in the implementation of our stakeholder engagement strategy. In practise, the use of data analytics and research enables Institutions to allocate resources towards meaningful initiatives that can translate into real value for the Commission. As an end to the programme, the SEC joined the ZIM council in a Corporate Social Responsibility event at an orphanage home, Ebenezer Children's Trust where conference participants interacted with the children at the home and contributed gifts, both monetary and non-monetary.

ENFORCEMENT AND LEGAL SERVICES

The Commission through the Directorate of Enforcement and Legal Services ("DELS") is responsible for enforcing the Securities Act ("the Act") and the Rules made thereunder. The Directorate is responsible, inter alia, for ensuring legal and regulatory compliance by capital market operators, identifying and recommending law reform and development in the securities sector and providing corporate legal advisory and Board secretarial services. DELS also undertakes litigation, on behalf of the Commission, in all courts and administrative Tribunals.

Legislative developments

The World Bank through the Financial Sector support programme being offered to the Zambian Government has been providing technical assistance for the drafting of statutory instruments required to effect the Securities Act of 2016. The World Bank engaged both a local and an international consultant to draft some of the Rules and Regulations required to operationalise the Securities Act. Some of the draft Statutory Instruments include Rules and Regulations on licensing of capital market intermediaries, the registration of securities, the regulation of self-regulatory organisations and the regulation of collective investment schemes. The Commission shall, prior to the submission of the draft Rules and Regulations to the Ministry of Justice for drafting, subject the drafts to a stakeholder consultative process.

In a quest to reduce the regulatory cost of doing business and encourage entities to raise as much capital as possible from the capital markets, the Commission reviewed the Securities (Licensing, Fees and Levies) Rules by introducing a minimum and maximum amount that could be charged for the registration of securities. The Commission consulted all relevant stakeholders and proposed a maximum fee of 6,666,667 fee units of K2 million as opposed to the current uncapped fee of 0.125% of the value of the securities being registered which the market felt to be too prohibitive for high value transactions. However, in practice, the Commission has been granting fee waivers pursuant to Rule 12 of the Securities (Licensing, Fees and Levies) Rules of up to 60% to applicants for registration of securities, which considerably reduces the amount of fees an applicant is expected to pay. However, the Commission believes that by placing a cap on the fees required to be paid by entities registering securities with the Commission, there will be more predictability and certainty for market operators on the expected fees for the registration process. The Commission has since submitted the draft Amendment to the Securities (Licensing, Fees and Levies) Rules and awaits its finalisation by the Ministry of Justice.

The Commission Board resolved to reduce the cost of SME capital raising by granting a total waiver of the fees for the registration of securities in order to allow sufficient participation of SMEs from different sectors. The waiver was made pursuant to Rule 12 of the Securities (Licensing, Fees and Levies) Rules that allows the Commission to grant partial or full waivers to applicants. In addition, the Commission acted in accordance with the policy on waiver of fees that allows for a waiver to be granted in furtherance of a government policy, for instance, where government wants to boost the manufacturing sector by encouraging listing of manufacturing

Operational Activities

companies or in this case the SME sector. The Commission believes that the waiver of registration fees for Alt-M applicants is in furtherance of a government policy to encourage SMEs to access affordable capital aimed at the growth and expansion of SMEs. The benefits of listing apply both to the economy and to the SME itself. The following are some of the benefits to the economy when an SME lists:

a) increase in competitiveness in Zambia as there will be a rapid increase in graduation of companies from the SME category to large local corporations (LLC) in each industry;
b) increased growth of business activity leading to an increase in long-term GDP;
c) guaranteed stable and rapidly increasing job creation through business expansion activities of listed SMEs;
d) increased corporate governance standards as SMEs will be exposed to higher standards of business ethics and held to those standards through LuSE Rules;
e) more diversified investment avenues for venture capitalists and institutional investors;
f) cheaper access to capital for SMEs will apply pressure to the banking industry to lower commercial interest rates as it will decrease the corporate demand for conventional debt ultimately increasing the liquidity of the Zambian economy; and
g) creation of a better structure to harmonise the stock market with the economy as there will be space that will accommodate more companies in the economy.

The direct benefits of listing to an SME are the following:

a) placing an objective market value on the company's business;
b) investors can exit through the market when the investment has matured;
c) improvement in the debt to equity ratio;
d) improvement of credit risk ratings of the company;
e) performance of the company can now be gauged by the performance of the stock i.e. enhanced efficiency; and
f) creates a path to listing on the main board (improvement of corporate image) since delisting will be highly unlikely due to high cost implication.

The LuSE Alt-M was launched in 2015 and has to date not listed a single issuer. According to the LuSE, one of the reasons cited for the failure of a single listing includes the high costs of securities registration with the Commission.

The Commission also participated in the review of the draft statutory instrument on the Capital Markets Tribunal Rules prepared by the Chief Justice. The Chief Justice submitted the Rules to the Ministry of Justice for promulgation into a statutory instrument.

The Securities Act also introduced exemption powers under section 4 of the Act. The Commission may, by notice in the Gazette and a daily newspaper of general circulation in Zambia, exempt a person or any securities from the application of this Act. It must be noted that this power is exercised sparingly by the Commission and only in exceptional circumstances has the Commission exempted persons from the application of some provisions of the Act. For instance, the Commission exempted persons from the application of section 147 of the Act as there was no framework in place to guide the market players on how to comply with the said section.

Operational Activities

Enforcement and legal actions taken

Since the enactment of the Securities Act No. 41 of 2016, the Commission has continued to enforce the provisions of the Securities Act against defaulting capital market operators. Depending on the circumstances of each case, the enforcement actions taken have ranged from private censures, fines and commencing civil suits. The Commission has continued to witness a reduction in the number of violations of the Securities laws by individuals and companies following the Commission's initiative to take enforcement action against erring market players.

It must be noted that, during the period under consideration, the Commission was defending a judicial review matter in which one of the capital market participants was challenging its regulatory decision and the matter was heard and determined by the High Court, and subsequently by the Court of Appeal after the judgment of the High Court was appealed against. In addition, the Commission also commenced a civil suit against persons who were unwilling to pay the authorisation fee as required under the Securities laws. Further, the Commission undertook a number of administrative actions against licensees and other persons in default to ensure that the provisions of the Securities Act were complied with.

The Securities Act mandates the Commission co-operate with, provide assistance to, receive assistance from, and exchange information with, other regulatory bodies and law enforcement agencies. In view of this mandate, the Commission has, after investigating a number of cases, referred the cases to organisations such as the Bank of Zambia and the Drug Enforcement Commission whenever a matter was outside the Commission's jurisdiction. The Commission has also gone a step further by assisting the organisations to which it refers matters by providing the organisations with information and conducting joint investigations.

IOSCO MMOU Compliance

IOSCO, which was founded in 1983, is an association of organisations that regulate the world's securities and futures markets and is an international standard setting body for securities regulators. The MMoU, which was established in 2002 and last revised in May 2012, is a document that facilitates the sharing and exchange of information among signatories when investigating securities fraud. The MMoU was established for the following reasons:

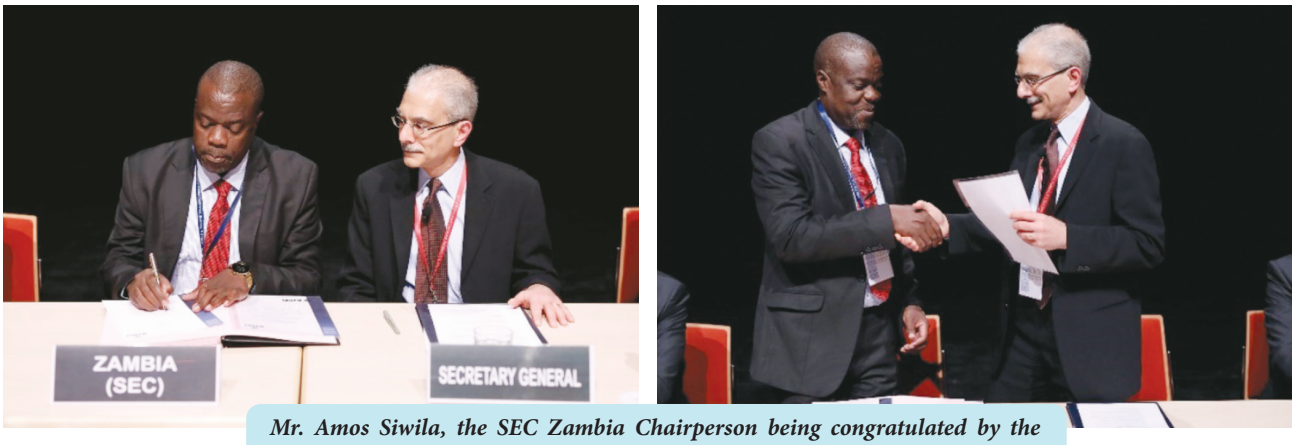
(a) Increased international activity in securities and derivatives markets and the corresponding need for mutual cooperation and consultation among IOSCO Members to ensure compliance with, and enforcement of their securities and derivatives laws and regulations;
(b) the events of September 11, 2001 which underscored the importance of expanding cooperation among IOSCO Members; and
(c) the desire by IOSCO Members to provide one another with the fullest mutual assistance possible to facilitate their respective regulatory functions.

The MMoU has therefore provided securities regulators with the tools for combatting cross-border fraud and misconduct that can weaken global markets and undermine investor confidence. It is a benchmark for enforcement-related cooperation which will enable the Commission to obtain as well as share key investigative information with other global securities regulators.

Operational Activities

On 15th January 2018, the SEC Zambia attained a great milestone by becoming the 116th signatory to the International Organisation of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding (MMoU) and only the 6th in the 15-member SADC grouping to do so.

The Commission attended the signing ceremony for the Zambia's admission to the IOSCO MMoU as the 116th signatory in Budapest, Hungary on 9th May 2018 as part of the Presidents Committee (PC) meeting agenda in the context of the Budapest Annual Conference. The Commission was represented by the Board Chairperson, Mr. Amos Siwila and the Commission Secretary and Director – Enforcement and Legal Services, Mrs. Diana Sichone.



Mr. Amos Siwila, the SEC Zambia Chairperson being congratulated by the IOSCO General Secretary Mr. Paul Andrews after signing the MMoU

As at the end of December, 2018 the following jurisdictions had become signatories bringing the total number of MMoU signatories to 121: the Central Bank of Armenia, the Central Bank of the Dominican Republic, the Financial Market Commission of Chile, the Securities and Exchange Organisation of the Islamic Republic of Iran and the National Bank of Kazakhstan.

By the Commission becoming a signatory to the MMoU, Zambia will obtain recognition from international bodies and regulators around the world as a jurisdiction committed to improving cross-border investor protection cooperation through seamless interaction with other regulators. Through the MMoU, Zambia is reinforcing its message to the markets that regulators are co-operating and watching out for potential securities and derivatives fraud. As a result of becoming an IOSCO MMoU signatory, Zambia's capital markets are poised to become more credible and will compete more favourably in attracting foreign investments with other countries globally. In particular, the country should see increased capital inflows which will result in a lower cost of capital. Additionally, other international organisations including the International Monetary Fund (IMF), the World Bank (WB) and the Financial Action Task Force (FATF) use a country's MMoU signatory status when conducting country compliance assessments for international standards and best practice.

Securities Industry Emerging Trends - 43rd IOSCO General Conference

Apart from attending the signing ceremony, the Commission Board Chairperson and the Commission Secretary and Director – Enforcement and Legal Services also attended the IOSCO General Conference that had organized several panel discussions on topical issues including the following:

Operational Activities

(a) *Data privacy*
The Members were informed of a new EU data protection regulation will take effect on 31st May 2018 and would affect the exchange of information between EU and non-EU members or between two EU members. It was a matter of concern as it affects how Authorities exchange information under the IOSCO MMoU. However, the Members were informed that the regulation had exemption relating to public interest consideration, which could be used to share or exchange the information.

(b) *Initial coin offerings (ICOs)*
IOSCO Secretariat advised that although there may not be a regulatory framework on how to deal with ICOs in the Members' regulatory frameworks, ICOs had border implications as the products could be marketed and sold in any jurisdiction. Other related matters were Crypto assets, crypto venues and trading which, it was noted, the public still invested in even in jurisdictions where these had been banned, and thus there was need for convergence on the matter. In addition, cybersecurity for regulators and the need to improve supervisory capacity was key in the discussions.

(c) *Use of leveraging by Asset managers*
The Members were informed that the Financial Stability Board, an international body that monitors and makes recommendations about the global financial system, had requested IOSCO as the world standard setting body for securities regulators to come up with recommendations on the use of leveraging by asset managers and this was something the IOSCO General Secretariat had started working on.

(d) *Financial stability*
This was raised especially with regard to Exchange traded funds, indexing and passive investment. The Members were advised that they needed to understand the market better as the products which were being used to index were becoming increasingly complex and the investors had largely remained financially illiterate. IOSCO Secretariat noted that although the organization had come up with regulations in 2013, there was need to focus on new developments such as passive index investing.

(e) *Sustainable finance*
The Members were informed that there was an absence of IOSCO direction on sustainable financing and improving the quality of disclosure and further that although IOSCO did not have a core mission of market development and capital formation, most members had it as their mandate. The question that was subject to discussion was whether IOSCO should now look at market development and develop standards on listing, taxonomy etc. and what role ISOCO was to play. It was reported that this matter was also being closely examined by the Growth and Emerging Markets Committee of IOSCO. The Members were also requested to analyse the benefits and opportunity presented by the Marakesh pledge which had not yet been launched.

(f) *Financial innovation (FinTech)*
The Members were informed that Financial Technology (FinTech) was all about innovation and disruption of the regular manner of doing things. Regulators worldwide needed to analyse how technology was impacting investor protection, and whether it introduced systemic risk. It was felt that there was need to look at the establishment of a Fintech Network among IOSCO members that could be used to share experiences and benefit from the efforts of others in the regulation of FinTech. It was further observed that most markets had the least legacy issues but the most opportunities and therefore FinTech could be used to support financial inclusion and growth.

Operational Activities

Regulatory compliance

DELS ensures that as a financial services regulator, the Commission complies with legal and regulatory requirements that facilitate effectiveness in capital markets regulation. This includes compliance with international regulatory requirements and best practices of IOSCO, the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG), the Southern African Development Community (SADC) Committee on Insurance, Securities and Non-bank Administrators (CISNA), the Africa and Middle Eastern Securities Regulatory Committee of IOSCO (AMERC) and other regional and international bodies.

DELS is also the contact point for liaison with foreign capital market regulators on information sharing and exchange of information.

MARKET TRANSACTIONS

In order to ensure there was control on the entities that obtained funds from the public, the Commission is mandated to register securities before they are offered to the public. The Commission also approves mergers or acquisitions involving entities whose securities are registered with the Commission. During the financial year ending 31st December 2018, the Commission through the Market Transactions division received and approved a number of applications from companies including those relating to the registration of securities, mergers and acquisitions. Waivers from certain Securities Act obligations as enshrined in the Act, and other miscellaneous market activities were also considered.

The table below shows the companies, type and number of securities that were approved during the period under review:

Date	Company	Type and number of Securities/or Transactions	Date Approved/ Deferred	Purpose of Meeting
03.05.2018	Izwe Loans Zambia Plc	Ordinary shares	03.05.2018	Consideration of the application for the registration of 150,000,000 ordinary shares
03.05.2018	Veritas General Insurance Plc	Ordinary shares	03.05.2018	Consideration of the application for the registration of additional 1,000,000 ordinary shares of K5 par value
03.05.2018	Barrick Gold Corporation	Consideration of the application for authorization	03.05.2018	Consideration of the application for authorization of restricted Share Unit Plan
29.08.2018	Lusaka Securities Exchange Plc	Ordinary shares	29.08.2018	Consideration of the application for the registration of 10,000,000 ordinary shares of K par value
29.08.2018	Longhorn Umbrella Unit Trust	Collective Investment Scheme	29.08.2018	Consideration of the application for authorization
05.10.2018	Barrick Gold Corporation	Consideration of the application for authorization	05.10.2018	Consideration of the application for authorization of BSPP
20.11.2018	Engineering Institution of Zambia	Waiver	20.11.2018	Consideration of the application for a waiver from continuing Obligations

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

2018 FINANCIAL STATEMENTS

Financial Statements for the Year Ended 31st December 2018

EMM Corporate Partners

Chartered Accountants and Management Consultants

EMM

Financial Statements

Content	Page
Report of the Commissioners	59
Statement of Responsibilities for the Financial Statement	67
Report of the Independent Auditors	68
Statement of Surplus or Deficit	74
Statement of Comprehensive Income	75
Statement of Changes in Funds	76
Statement of Cash Flows	77
Statement of Financial Position	78
Summary of Significant Accounting Policies	79
Notes to the Financial Statement	91-103

REPORT OF THE COMMISSIONERS

The Commissioners present their report, with the audited accounts for the year ended 31st December 2018.

1. Organisation

The Securities and Exchange Commission (the "Commission") is a body corporate established under the Securities Act, Cap. 354 of the Laws of Zambia (repealed) and whose existence is continued under the Securities Act, No. 41 of 2016 (the "Securities Act"). The Commission has a dual mandate of protecting investors on the Capital Markets as well as Developing the Capital Market .. This therefore entails that the Commission has a huge role of ensuring that there is a balance between investor protection and Capital Market Development.

Its mission is to "safeguard interests of investors and promote the growth of Capital Markets" in order to ensure that Capital Market activities are regulated in line with the Securities Act. Its vision is to be a "dynamic regulator that promotes investors and promote market development".

The Commission has its offices on Plot No. 3827, Parliament Road, Olympia Park, Lusaka.

2. Functions

In line with its primary statutory mandate, SEC undertakes the following functions and roles:

(a) To take all available steps to ensure that this Act and any rules made under this Act are complied with;

(b) To supervise and monitor the activities of any securities exchange and the settlement of transactions in securities,'

(c) To license and monitor the activities of securities exchanges, dealers, investment advisers and their respective representatives and of persons who, within the meaning of rules made under this Act, are non-bank custodians or service registrars;

(d) To approve the constitutions, charters, articles, bylaws, rules and regulations governing and pertaining to any securities exchange;

(e) To make, issue, monitor and enforce rules for the conduct of participants in the securities industry and for the supervision and investigation of that conduct, including rules relating to Ecensing and for the revocation and suspension of hcences;

(f) To promote and encourage high standards of investor protection and integrity among members of any securities exchange;

(g) To support the operation of a free, orderly, fair, secure and properly informed securities market;

(h) To regulate the manner and scope of securities on any securities exchange, the exchange rules, hsting requirements, margin requirements, capital adequacy requirements, disclosure and

periodic reporting requirements, trade settlement and clearing requirements!

(i) To take all reasonable steps to safeguard the interest of persons who invest in securities and to suppress illegal, dishonourable and improper practices in relation to dealings in securities, whether on the securities exchange or otherwise!

(j) To take all reasonable steps to promote and maintain the integrity of persons licensed under Part IV and encourage the promulgation by such persons of balanced and informed advice to their clients and to the public generally!

(k) To consider and suggest proposals for the reform of the law relating to the securities industry!

(l) To encourage the development of securities markets in Zambia and the increased use of such markets by investors in Zambia and elsewhere!

(m) To promote and develop self-regulation by securities exchange!

(n) To co-operate, by the sharing of information and otherwise, with other supervisory bodies in Zambia and elsewhere!

(o) To exercise and perform such other powers, authorities, duties and functions as may be conferred or imposed upon it by or under this or any other Act.

3. Commissioners

(a) Composition

The Commission is subject to legislative requirements regarding the composition, powers, functions, committee structure and responsibilities of the Board. The Board is accountable to Parhament through the Minister of Finance. The Securities and Exchange Commission (SEC) is governed by a Board of Commissioners appointed by the Minister responsible for Finance for a period of three (3) years. The Board consists of the following:

(i) The Bank of Zambia!

(ii) The Law Association of Zambia!

(iii) The Zambia Institute of Chartered Accountants!

(iv) The Zambia Chamber of Commerce and Industry!

(v) Ministry of Finance

(vi) The Pensions and Insurance Authority

(vii) The Ministry of Justice .

(b) Identities

Mr. Amos Siwila	Board Chairperson ▪ Law Association of Zambia
Mr. George Nonde and Industry	Vice-Chairperson - Zambia Chamber of Commerce
Mrs. Ireen Musonda-Habasimbi	Commissioner-Ministry of Finance
Dr. Jonathan Chipili	Commissioner-Bank of Zambia
Ms. Mainza Masole	Commissioner-Pensions and Insurance Authority
Mrs. Natasha N. Kalimukwa	Commissioner-Ministry of Justice
Mrs. Ruth S. Mugala	Commissioner-Zambia Institute of Chartered Accountants
Mr. Phillip K. Chitalu	Ex-officio Commissioner-Securities and Exchange Commission

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

(c) Commissioners' Interests

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

(d) Commissioners' Emoluments

Commissioners' emoluments amounted to: **K1.086million** (2017> K1.008million).

4. Management

Management is responsible for implementation of the core functions of the Commission. The day to day operations of the Securities and Exchange Commission (SEC) are managed by the Chief Executive Officer and the Commissions Secretary who is appointed by the Board of Commissioners. Other offices include the Directorates of Market Supervision and Development, Enforcement and Legal Services, and Finance and Administration :

Mr. Phillip K. Chitalu	–	Chief Executive Officer
Mrs. Diana Sichone	–	Director - Enforcement & Legal Services Commission's Secretary
Ms. Mutumboi Mundia	–	Director - Market Supervision & Development
Mr. Bruce Mulenga	–	Manager - Market Transactions & Investments
Mr. Mateyo Lungu	–	Manager - Finance
Mr. Saul Nyalugwe	–	Manager - Administration
Mr. Abraham Alutuli	–	Manager - Market Supervision
Mr. Nonde Sichilima	–	Manager - Market Supervision

Mr. Dingase Makumba	–	Manager - Market Development
Mr. Mubanga Kondolo	–	Manager - Financial Inclusion
Mr. Lubunda Ngala	–	Manager - Law Reform and Enforcement

The role of the Chief Executive is set out in the regulating Act. The Chief Executive has executive responsibility for ensuring that the Commission's statutory objectives and functions are exercised efficiently and effectively, for leading partnership arrangements with government, for working with key stakeholders, and - as an executive member of the Board - contributing to and reviewing the strategic direction.

5. Financial Review

(a) Capital

The Commission has no subscription capital. Capital resources comprise accumulated funds and unamortised balances of revenue (unrestricted fund) and deferred revenue (restricted funds).

(b) Operating Results

The operating result for the year was a deficit of **K6.801million** (2017>K1.301million).

(c) Income

(i) . Total income amounted to **K18.946million** (2017: K20.299million)

(ii) . Fees, levies and commissions amounted to **K7.490millioii** (2017: K8.000million)

(iii) . Investment and sundry income amounted to **K11.455million** (2017: K12.298million), inclusive of grants received from Government of **K10.150millioii** (2017: K9.668million).

(d) Expenditure

Administration and operating expenditure totalled **K25.747million** (2017: K21.600million). The main operating costs were costs of personnel of K14.615million (2017: K11.671million) and recurrent expenditures of **K9.599million** (2017: K9.573million).

(e) Capital Expenditure

Fixed assets amounting to **K1.388million.** (2017: K1.485million) were acquired during the year under review. No major changes were made to the accounting policies and use of fixed assets.

(f) Related Party Transactions

The Commission's related parties include board members and senior executive management. Related parties and related party transactions are discussed in Note 17 on page 42 to 43 of the financial statements.

6. Risk Factors

The Commission faces a number of operational, legal and financial risks in its operations:

(a) Challenges of Capital Market Regulation

(i) ***Increasing Engagement with Investors and Other Market Participants'***- To fulfil its responsibility to investors and markets, it is essential that the SEC maintain an open line of communication with investors and other market participants. In FY 2018, the SEC substantially increased its engagement with both groups. These interactions have enabled it to improve its work and better focus its resources and efforts.

(ii) ***Engagement with Market Participants'*** The local capital markets are far different today than they were a decade ago. They are increasingly global and highly data dependent. Investments are channelled through intermediaries and vehicles. The markets also are ever-changing, and the pace of that change has increased. It is essential that the SEC understand the markets of today and continually prepare for and adjust to market developments. As a result, engagement with those who participate in capital markets extensively, including public and private companies, institutional investors, broker-dealers, and auditors is essential. In FY 2018, the SEC held several public roundtables at which SEC staff engaged with market participants on some of the most salient issues affecting the markets today in an open forum.

(iii) ***Targeting the Long-Term Interests of Investors'***- Accurate, timely, clear, and actionable information is essential to a fair and well-functioning marketplace. This principle • broad access to good information as the linchpin of markets • is confirmed by decades of experience and analysis. The SEC's mandate embodies this principle, and it has a responsibility to ensure that market participants have access to the information and advice they need to make decisions that are right for them.

(iv) ***Empowering Investors through Information and Education'***- The SEC promotes informed investment decision- making through education initiatives aimed at providing investors with a better understanding of local capital markets and the opportunities and risks associated with the array of investment choices presented to them. In FY 2018, the SEC conducted investor education and regulator events focused toward various segments of the population.

(v) ***Aligning Professional Obligations with Investor Expectation#*** Broker-dealers and investment advisors both provide investment advice to retail investors but have different relationships and are subject to different regulatory regimes. However, it has long been recognised that many investors do not have a firm grasp of the important differences between broker - dealers and investment advisors - from differences in the variety of services that they offer and how investors pay for those services, to the regulatory frameworks that govern their relationship. This investor confusion could cause investor harm if investors fail to select the type of service that is appropriate for their needs, or if conflicts of interest are not adequately understood and addressed. The Commission's work is to better align the standards of conduct and mandated disclosures or broker-dealers and investment advisors with what investors expect of these financial professionals, while preserving investor access and investor choice. In an effort to improve upon its proposals, SEC organises communications that can best bring these investors' relationship with their investment

professional inTine with their expectations. These candid, experience-based conversations are incredibly valuable and will inform its work moving forward. Staff will continue to refine these proposals in FY 2019.

(vi) **Protecting Investors and Improving Investment Options by Promoting Compliance:** Registered entities, including broker-dealers, investment advisors, investment companies, the securities exchange, the Credit Rating Agency, and transfer agents, provide many of the services that are essential to capital markets and investors. Ensuring that these entities act in compliance with applicable laws and rules, and are appropriately focused on operational integrity and residency, is one of the SEC's most important functions.

(vii) **Pursuing Enforcement Matters:** The ongoing efforts made by the Enforcement to deter misconduct and punish securities law violators are critical to safeguarding investors and instilling confidence in the integrity of local capital markets. The nature and quality of the SEC's enforcement actions during the last year speak volumes to the hard work of the women and men of the Commission.

(b) Operational Risk

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

(i) ***Impact of Changing Markets, Responsibilities and Developments***- 'The Commission reported deficits of K6.801million, compared to K1.301million in the previous year. Changes in the securities markets and financial industry, as well as difficult fiscal realities, have entity¬wide impacts. As markets evolve, so must the SEC. These types of industry developments and financial innovation will continue to present challenges to the staff, requiring additional staff expertise, resources, and a program that is agile, responsive, and continuously improving and is well funded.

(ii) ***Importance of Leveraging Technology and Analytics-'*** As in previous years, the Commission recognizes that technology and analytics are critical to the mission of the SEC and its ability to deliver information to the public, identify risks, uncover frauds, sift through large volumes of data, inform policy making, and streamline operations. Other key information technology initiatives include improving examinations through risk assessment and surveillance tools; enhancing systems that support the enforcement program. Long-term investment and development in technology and analytical tools will be critical to the future success of the Commission's oversight responsibilities. Particularly important since the new Act will be a continued focus on enhancing quantitative and data analytic efforts. These tools will provide staff with a greater ability to monitor for trends and emerging risks, ultimately enabling the staff to allocate SEC resources more effectively.

(iii) ***Strengthening Cyber Security Posture:*** The SEC's information systems process and store significant amounts of sensitive, non-public information, including information that is

personally identifiable, commercially valuable, and market sensitive. But aside any recommendations done in prior audits, management has not worked to implement technological enhancements and additional data protection technologies. Cybersecurity is vitally important to the Commission especially given the increased use of and dependence on data and electronic communications, greater complexity of technologies present in the financial marketplace, and continually evolving threats from a variety of sources. Computer security, cybersecurity or information technology security is the protection of computer systems from the theft of or damage to their hardware, software, or electronic data, as well as from the disruption or misdirection of the services they provide.

(iv) *Financial Crime Risk* - Financial crime risk is the risk that the Commission suffers losses as a result of internal and external fraud or intentional damage, loss or harm to people, premises or its moveable assets. The risk is directly attributable to its people risk.

(v) *People Risk* - People risk arises from failures of the Commission to manage its key risks as an employer, including lack of appropriate people resource, failure to manage performance and reward, unauthorised or inappropriate employee activity and failure to comply with employment related requirements.

(c) ***Legal Risk***

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

(d) ***Reporting Risk***

(i) ***Financial Reporting Risk*** - Financial reporting risk arises from a failure or inability to comply fully with regulations or codes in relation to the preparation, presentation or disclosure of financial information. Non-compliance could lead to damage to reputation or, in extreme cases, withdrawal of external funding.

(ii) ***Accounting Risks*** - The Commission's future performance and results could be materially different from expected results depending on the outcome of certain potential risks and uncertainties, details of which are discussed above. The reported results of the Commission are also sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. Details of its critical accounting policies and key sources of accounting judgments are included on pages 21 to 32.

(iii) ***Financial Risks*** - The Commission through its normal operations is exposed to a number of risks on its financial instruments, the most significant of which are credit and liquidity. Market (currency and interest) risks are generally low. The two main risks on its financial instruments

are generally deemed to be within manageable limits. The Commission's financial risk exposures are discussed in Note 15 to the financial statements.

7. Risk Management and Control

As explained on Statement 6 above, the Commission through its normal operations is exposed to a number of risks, the most significant of which are liquidity risks. The Commission's risk management objectives, policies and strategies are discussed on page 30 in Accounting Policy 6(f). Exposures are discussed on pages 38 to 42 in Note 15 to the financial statements.

8. Compliance

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

9. Subsequent Events

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

10. Subsequent Events

EMM Corporate Partners ("EMM")
A Member of CPAAIAssociates - Europe, Middle East and Africa Region
5868 Kasiya Crescent, Kalundu
Lusaka, Zambia

On behalf of the board:

12/12/2019
Date

COMMISSION SECRETARY

STATEMENT OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the Auditors' report set out on page 67, is made with a view to distinguishing for members the respective responsibilities of the Commissioners and of the auditors in relation to the financial statements for the year ending 31st December 2018.

Statement of Responsibility for Financial Statements

In conformity with International Financial Reporting Standards ("IFRSs") and the requirements of Act No. 41 of 2016 of the Laws of Zambia ("the Act"), the Commissioners are required to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Commission and of the surplus or deficit for that period. The accounts are required by law and IFRSs to present fairly the financial position of the Commission and the performance for that period. The Commissioners consider that, in preparing the accounts on pages 16 to 20, and the additional information on pages 21 to 45, the Commission has used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Commissioners have responsibility for ensuring that the Commission keeps accounting records which disclose with reasonable accuracy the financial position of the Commission and which enable them to ensure that the accounts comply with the requirements of the Act. The Commissioners have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Commission and to prevent and detect fraud and other irregularities. The Board Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with IFRSs. In preparing such financial statements, the Board Members are required to: select suitable accounting policies and then apply them consistently! make judgements and estimates that are reasonable and prudent! state whether the applicable accounting standards have been followed! and comply with IFRSs.

In the opinion of the Board Members:

1. The statement of comprehensive income is drawn up so as to give a true and fair view of the result of the Commission for the year ended 31st December 2018!

2. Based on current records that it holds:

   (a) The statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Commission as at 31st December 2018 and
   (b) There are reasonable grounds to believe that the Commission will be able to pay its debts as and when they fall due.

Accordingly, the financial statements set out on pages 74 to 78 were approved by the Board Members on

12/12/19 and signed on its behalf by:

COMMISSIONER

COMMISSIONER

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF COMMISSSION

Opinion on Financial Statements

We have audited the financial statements of the Securities and Exchange Commission ('the Commission"), which comprise the statement of financial position as at 31st December 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of *Act No. 41 of 2016 of the Laws of Zambia ("the Act").*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Securities and Exchange Commission ('the Commission") as at 31sl December 2018, and its financial performance and their cash flows for the year then ended.

The financial statements as of, and for the year ended 318t December 2017 were audited by another auditor whose report dated 8th June 2018 expressed an unqualified opinion on those financial statements.

Separate Opinion in relation to IFRS as issued by the IASB

The Commission has prepared financial statements in fine with IFRSs. In our opinion, the financial statements comply with *International Financial Reporting Standards.*

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's *Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the entity within the meaning of relevant ethical requirements in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code')an&* have fulfilled our other responsibilities under those ethical requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion is not modified with respect to any of these key matters.

1. Adoption of IFRS 9 — Financial Instruments

The Commission applied IFRS 9 "financial instruments" for the first time in the financial period under review. The directors are required to review the classifications of assets and align the classifications to the requirements of the reporting standards. The directors also reviewed the fair valuations and impairment models. Due to the subjective nature of judgements required in estimating the timing and valuation of impairment and in estimating the fair value of assets, this was considered a key audit matter, especially given the initial application of IFRS 9. We reviewed the classification of all financial assets to ensure compliance with IFRS 9. We reviewed the valuation and verified the calculation of the fair values. We also verified the inputs used in the valuations. In considering the reasonableness of the impairment provision, we reviewed the assumptions used in impairment calculations. We further assessed their recoverability through testing of current year and subsequent receipts. Based on the procedures we performed on this matter, we are satisfied that the impairment provision is reasonable and the financial assets were properly classified and valued.

2. Adoption of IFRS 15 -IFRS 15 Revenue from Contracts with Customers

The Commission apphed IFRS 15 Revenue from Contracts with Customers for the first time in the financial period under review. The Standard, effective for annual periods beginning on or after 1 January 2018 replaces IAS 11, IAS 18 and their Interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be apphed to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.).

3. Re ven ue Recognition

Income from contractual arrangements should be recognised in the period in which entitlement has been earned through service delivery. Management exercise judgment in determining when income should be recognised. There is also potentially management judgement in the classification of income between restricted and unrestricted funds. We documented the income systems and carried out audit procedures to gain assurance over the operation of internal financial controls in place to prevent the loss of income and to ensure that income is recorded in the correct period. Our audit testing involving sampling income balances and the associated invoices and bills, verifying to supporting documentation to ensure income has been recognised in the correct period. We also considered whether income had been correctly classified between restricted Compensation Fund contributions and unrestricted funds for the Commission, reviewing any terms and conditions of, for example, Compensation Fund fees. Based on the procedures we performed on this matter, we are satisfied that income has been correctly recognised and reported. We found that fees on license fees are recognised on modified cash basis, which is not a recognised basis for reporting under IFRSs.

4. Valuation of Financial Instruments

The Commission's disclosures about its structured financial instruments are included in Accounting Policy 6. Because the valuation of the entity's financial instruments is based on amortised cost, there is low significant measurement uncertainty involved in this valuation. Amortised Cost means the amount at which the financial item on and off balance are measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between

that initial amount and the maturity amount. Our audit procedures included, among others, testing management's controls related to the classification and valuation of investments and assessment of any impairment losses likely to occur. Our audit found that investments as at the prior year-end were not carried at amortised cost, using the effective interest method. Restatements were proposed as discussed in item one above.

5. Capital Work in Progress

As shown in Note 7, the costs of construction of buildings is accounted for as Construction Work-in-Progress, which is a long-term asset account in which the costs of constructing long-term assets are recorded. The account Construction Work-in-Progress will have a debit balance and will be reported on the statement of financial position as part of an entity's Property, Plant and Equipment. The costs of a constructed asset are accumulated in the account Construction Work-in-Progress until the asset is placed into service. When the asset is completed and placed into service, the account Construction Work-in-Progress will be credited for the accumulated costs of the asset and will be debited to the appropriate Property, Plant and Equipment account. Depreciation begins after the asset has been placed into service. We focused on this transaction because it is material to the financial statements as a whole and the fact that it is likely that when the building is complete, independent market valuations will have to be performed under the cost model. In addition, determining the assumptions that underlie the initial accounting and the useful lives associated with the constructed assets involves significant management judgment given the nature of the entity.

Going Concern

The financial statements of the Commission have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the Commission either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that the Commission's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate. The Board has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the entity. The Commissioners have assessed, in the fight of current and anticipated economic conditions, the Commission's ability to continue as a going concern. The Commissioners confirm they are satisfied that the Commission has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing the financial statements. Our assessment considers the assumptions sound and, as such, our opinion is not qualified in this case.

Emphasis of Matter

We draw your attention to the fact that at the reporting date, the Commission reported a deficit of K6.801million (2017: K1.301million). As shown in Note 4 to the financial statements, a significant part of the income (K10.150million) is from government grants (2017:'K9.668miUion). Current financial performance indicates government grants will be necessary for the foreseeable future. Because the Commission is certain of the continued support from government, the financial statements have been prepared on a going concern basis, which the directors believe is appropriate.

In forming our opinion, we have considered the adequacy of the disclosures made in Note 4 to the financial statements. We consider that, in view of this matter, a reduction in government support may cast doubt on the entity's ability to sustain its operations, realise its assets and discharge its liabilities in the normal course of business.

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

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board is responsible for overseeing the entity's financial reporting process. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies! and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

3. Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.

4. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commission.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

7. We are required to communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

8. We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Qualified Report on Other Legal and Regulatory Requirements

1. *Act No. 41 of 2016 of the Laws of Zambia ("the Act"),* which defines the applicable reporting framework for these financial statements, require that in carrying out our audit we consider whether the Commission has kept the accounting records, other records and registers required by this Act. We confirm that in our opinion, except for the requirement to be audited by 30th June 2019, the accounting records, other records, and registers required by the Act have been kept by the Commission, so far as appears from our examination of those records.

2. *Section 58(d) of the Public Finance Management Act of 2018,* which supercedes all other laws, requires audit reports of government bodies and corporations to be completed by 30th April of each following year. The Commission did not comply with this requirement.

Other Information

The Board and the Chief Executive are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Directors Report described in this set of financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on Other Matters

In our opinion:

1. The parts of the Financial Report to be audited have been properly prepared in accordance with Minister of Finance's directions made under Act No. 41 of 2016 of the Laws of Zambia,
2. In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified any material misstatements in the financial statements! and
3. The information given in the reports prepared for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we Report by Exception

Other than the matters raised in the letter of recommendations, and cited in this report where necessary for the attention of those charged with governance, we have nothing to report in respect of the following matters which we report to you if, in our opinion:

1. Adequate accounting records have not been kept or adequate for our audit; or
2. The financial statements and the parts of the annual report to be audited are not in agreement with the accounting records and returns; or
3. We have not received all of the information and explanations we require for our audit; or
4. The Financial Statement does not reflect compliance with guidance.

The engagement partner responsible for the audit resulting in this independent auditor's report is:

Elasto Mambo
PC/MPC: 000578

EMM CORPORATE PARTNERS
Chartered Accountants and Management Consultants

18/12/19
Date

STATEMENT OF SURPLUS OR DEFICIT

Amounts are Stated in Zambian Kwacha	Note	**2018**	2017
Operating Income			
Fee Income	1.	**3,809,528**	5,146,455
Commissions and Levies	2.	**3,681,314**	2,853,983
Non-Operating Income			
Interest Income	3.	**1,094,779**	2,153,360
Other Income	4.	**10,360,229**	10,145,580
		18,945,850	20,299,377
Costs			
Impairment of Financial Assets	5.	**885,668**	36,400
Depreciation	7.	**646,108**	318,734
Employee Costs	Appendix I	**14,615,593**	11,671,924
Non-Operating Costs	Appendix I	**9,599,806**	9,573,651
		25,747,174	21,600,709
Deficit for the Year	**6.**	**(6,801,324)**	**(1,301,332)**
Total Deficit Attributable to-			
Controlling Interests		**(6,801,324)**	**(1,301,332)**
Non-controlling Interests		-	-
		(6,801,324)	**(1,301,332)**

STATEMENT OF COMPREHENSIVE INCOME

Amounts are Stated in Zambian Kwacha	2018	2017
Deficit for the Year	**(6,801,324)**	**(1,301,332)**
Other Comprehensive Income:		
Items that will not be subseciuentlv reclassified to profit and loss:	-	-
Items that mav be subseciuentlv reclassified to profit and loss-'	-	-
	-	-
Total Comprehensive Loss for Period	**(6,801,324)**	**(1,301,332)**
Total Comprehensive Lose Attributable to:		
Controlling Interests	**(6,801,324)**	**(1,301,332)**
Non'controlling Interests		
	(6,801,324)	**(1,301,332)**

STATEMENT OF CHANGES IN FUNDS

Amounts are Stated in Zambian Kwacha	Accumulated Funds
Balance as at 1 January 2017	11,782,267
Total Comprehensive income	(1,301,332)
At 31 December 2017	10,480,934
Balance as at 1 January 2018	10,480,934
Total Comprehensive income	(6,801,324)
At 31 December 2018	3,679,611

STATEMENT OF CASH FLOWS

Amounts are Stated in Zambian Kwacha	Notes	2018	2017
Cash Inflow From Operating Activities			
Deficit for the Year		(6,801,324)	(1,301,332)
Gain on Disposals		6,707	19,660
Depreciation	7.	646,108	318,734
Interest Received	3.	(1,094,779)	(196,412)
Changes in Accounts Receivable		420,574	385,190
Changes in Other Receivables		1,692,544	(390,497)
Increase/(Decrease) in Statutory Funds		47,421	(339,297)
Increase/(Decrease) in Accruals and Provisions		797,487	(716,751)
Increase in Employee Benefits and Provisions		1,787,530	211,377
Net Cash Inflow From Operating Activities		(2,497,733)	(2,009,327)
Interest Received		1,094,779	196,412
		1,094,779	196,412
Investing Activities			
Actual Payments to Acquire Tangible Fixed Assets	7.	(1,388,202)	(1,485,254)
Proceeds from Disposal of Assets		-	
Net Cash Outflow on Investing Activities		(1,388,202)	(1,485,254)
Financing Activities			
Deferred Income		800,000	
Net Cash Outflow on Financing		800,000	▪
Net Increase in Cash and Cash Equivalents		(1,991,155)	(3,298,169)
Cash and Cash Equivalents at start of year		9,848,986	13,147,155
Cash and Cash Equivalents at end of year		7,857,831	9,848,986
Represented By:			
Cash at Bank and in Hand	10.	2,141,487	2,848,986
Short'Term Bank Deposits	10.	5,716,344	7,000,000
		7,857,831	9,848,986

STATEMENT OF FINANCIAL POSITION

Amounts are Stated in Zambian Kwacha	Notes	2018	2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7.	**2,551,615**	**1,816,228**
		2,551,615	**1,816,228**
Current Assets			
Receivables at Amortised Cost	8.	**61,324**	**481,898**
Other Financial Assets	9.	**665,499**	**2,358,043**
Cash and Cash Equivalents	10.	**7,857,831**	**9,848,986**
Total Current Assets		**8,584,654**	**12,688,927**
Total Assets		**11,136,269**	**14,505,155**
FUNDS AND LIABILITIES			
Funds			
Accumulated Funds		**3,679,611**	**10,480,934**
Total Equity		**3,679,611**	**10,480,934**
Non-Current Liabilities			
Statutory Funds	11.	**548,830**	**501,409**
Deferred Income	12.	**800,000**	-
		1,348,830	**501,409**
Current Liabilities			
Employee Benefits and Provisions	13.	**4,273,614**	**3,476,127**
Payables, Accruals and Provisions	14.	**1,834,214**	**46,685**
Total Current Liabilities		**6,107,828**	**3,522,812**
Total Equity and Liabilities		**11,136,269**	**14,505,155**

The financial statements were approved by the Board of Commissioners on 12/12/19 and signed on its behalf by:

COMMISSIONER

COMMISSIONER

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of preparation and accounting policies used in preparing the financial statements for the year ended 313t December 2018 are set out below:

1. Basis of Preparation

The financial statements for the year ended 31st December 2018 are prepared on a going concern basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, except for Ecense fees which are recognised on a modified cash basis. The financial statements have also been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2. Statement of Compliance

As explained above, the financial statements have been prepared in accordance with International Financial Reporting Standards apphcable for the reporting period to 31st December 2018.

3. Adoption of New and Revised International Financial Reporting Standards ("IFRSB")

(a) **.Application of new IFRS requirements**

(i) *IFRS 9 Financial Instruments (issued in July 2014)* - In the current year, the Commission has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. However, the Commission has elected to restate comparatives in respect of the classification and measurement of financial instruments. Additionally, the Commission adopted consequential amendments to *IFRS 7 Financial Instruments? Disclosures* that were apphed to the disclosures for 2018 and to the comparative period:

- The Standard has replaced IAS 39 (and all the previous versions of *IFRS 9*) effective for annual periods beginning on or after 1 January 2018 (earlier application permitted). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting, recognition and de-recognition.

- *IFRS 9* requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification by reference to the business model within which they are held and their contractual cash flow characteristics.

- For financial liabilities, the most significant effect of *IFRS 9* relates to cases where the fair value option is taken: the amount of change in fair value of a financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income (rather than in profit or loss), unless this creates an accounting mismatch. The application of IFRS 9 has had no impact on the classification and measurement of the Commission's financial liabilities.

- For the impairment of financial assets, IFRS 9 introduces an "expected credit loss (ECL)" model based on the concept of providing for expected losses at inception of a contract! recognition of a credit loss should no longer wait for there to be objective evidence of impairment. The expected credit loss model requires the Commission to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The recognition and de-recognition provisions are carried over almost unchanged from IAS 39. The reconciliation between the ending provision for impairment in accordance with IAS 39 and the provision in accordance with IAS 37 is disclosed in their respective notes. The consequential amendments to IFRS 7 have also resulted in more extensive disclosures about the Commission's exposure to credit risk in the financial statements
- For hedge accounting, IFRS 9 introduces a substantial overhaul allowing financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures. The application of the IFRS 9 hedge accounting requirements has had no other impact on the results and financial position of the Commission for the current and/or prior years.

- Disclosures in relation to the initial application of IFRS 9: There were no financial assets or financial liabilities which the Commission had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Commission has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Commission has elected to designate as at FVTPL at the date of initial application of IFRS 9. The application of IFRS 5 has had no impact on the cash flows of the Commission.

(ii) IFRS 15 Revenue from Contracts with Customers (issued in May 2014 and amended for effective date and clarifications in September 2015 and April 2016 respectively) • The Standard, effective for annual periods beginning on or after 1 January 2018 replaces IAS 11, IAS 18 and their Interpretations. It establishes a single and comprehensive framework for revenue recognition to apply consistently across transactions, industries and capital markets, with a core principle (based on a five-step model to be applied to all contracts with customers), enhanced disclosures, and new or improved guidance (e.g. the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract, etc.). The IFRS 15 revenue model has five steps: ft) Identify the contract with a customer (ii) Identify all the individual performance obligations within the contract (iii) Determine the transaction price (iv) Allocate the price to the performance obligations (v) Recognize revenue as the performance obligations are fulfilled. IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Commission has adopted the terminology used in IFRS 15 to describe such balances. The term deferred income is used in respect of the government grant balances that are not within the scope of IFRS 15. Apart from providing more extensive disclosures for the Commission's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Commission.

(b) Amendments to existing Standards

(i) *Amendments to IAS 28 (.Annual Improvements to IFRS Standards 2014-2016 Cycle,* issued in December 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, mutual fund, unit trust or other qualifying entity , is available for each investment in an associate or joint venture on an investment-byinvestment basis, upon initial recognition. The amendments are not expected to have an effect on the Commission's financial statements.

(ii) Amendments to *IAS 40 titled Transfers of Investment Property* (issued, in December 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify that transfers to, or from, investment property (including assets under construction and development) should be made when, and only when, there is evidence that a change in use of a property has occurred. The amendments are not expected to have a material effect on the Commission's financial statements.

(iii) Amendments to *IFRS 2 titled Classification and Measurement of Share-based Payment* Transactions (issued in June 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), clarify the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payment (SBP) transactions, the accounting for SBP transactions with a net settlement feature for withholding tax obligations, and the effect of a modification to the terms and conditions of a SBP that changes the classification of the transaction from cash-settled to equity-settled. The amendments are not expected to have a material effect on the Commission's financial statements.

(iv) *Amendments to IFRS 4 titled Applying IFRS 9 Financial Instruments with IFRS 4* Insurance Contracts (issued in September 2016) - The amendments, applicable to annual periods beginning on or after 1 January 2018, give all insurers the option to recognise in other comprehensive income, rather than in profit or loss, the volatility that could arise when IFRS 9 is applied before implementing IFRS 17 ('the overlay approach'). Also, entities whose activities are predominantly connected with insurance are given an optional temporary exemption (until 2021) from applying IFRS 9, thus continuing to apply IAS 39 instead ('the deferral approach'). As the Commission has not issued insurance contracts, the amendments are not expected to have an effect on its financial statements.

(c) **New Interpretations**

(i) *IFRIC 22 Foreign Currency Transactions and Advance Consideration* (issued in December 2016) - The Interpretation, applicable to annual periods beginning on or after 1 January 2018 (earlier application permitted), provides guidance clarifying that the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency is the one at the date of initial recognition of the non-monetary prepayment asset or deferred income liability. The Interpretation is not expected to have a material effect on the Commission's financial statements.

(d) **New IFRS requirements and Interpretations in issue but not yet effective**

The Commission has not applied the following new or amended Standards and Interpretations that have been issued by the IASB but are not yet effective for the financial year beginning 1 January 2018. The Commissioners anticipate that the new Standards, amendments and Interpretations will be adopted in the Commission's financial statements when they become effective. The Commission has assessed, where practicable, the potential effect of all these new requirements that will be effective in future periods.

(i) . *IFRS 16-Leases*- IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the entity is 1 January 2018. This is because it entered into a lease in June 2018 and although it initially treated this as an operating lease in the operating results for the year, it elected to early adopt IFRS 16 (on adoption of IFRS 15, which has to be adopted on adoption of IFRS 16) and has now classified this lease using the right to use requirements of IFRS 16. Lease obligations are now reflected on its statement of financial position

(ii) . *IFRS 17-Insurance Contracts*
(iii) . *Amendments to IFRS 9-Prepayment Features with Negative Compensation*
(iv) . *Amendments to IAS 28-Long-term Interests in Associates and Joint Ventures*
(v) . *Annual Improvements to IFRS Standards 2015—2017 Cycle-Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs*
(vi) . *Amendments to IAS 19 Employee Benefits-Plan Amendment, Curtailment or Settlement*
(vii) . *IFRS 10 Financial Statements and IAS 28 Amendments -Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
(viii) . *IFRIC 23-Uncertainty over Income Tax Treatments*

The commissioners do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Commission in future periods.

There are no other IFRSs or IFRIC interpretations that are not yet effective and that would be expected to have a material impact on the Commission in the current or future reporting periods and on foreseeable future transactions.

4. Foreign Currencies

In preparing its financial statements, the Commission's foreign currency transactions are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss.

5. Property, Plant and Equipment

(a) Cost and Valuation

Property, plant and equipment are stated at fair value. Land and buildings are stated in the statement of financial position at their cost or revalued amounts, if revalued, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Commission use a depreciated historical cost basis as a proxy for fair value as non-property assets have a short useful life or are of relatively low value. Any permanent impairment in the value of property, plant and equipment on revaluation is charged to the statement of comprehensive income when it occurs.

(b) Subsequent Expenditure

The Commission recognises, in the carrying amount of a tangible fixed asset, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Commission and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(c) Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful fives, using the straight-line method:

– Motor Vehicles	25%
– Office Equipment	20%
– Computer Equipment	33.33%
– Office Furniture Fittings	25%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

(d) Leased Assets

Leases which transfer to the Commission substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at inception of the lease. The Commission measures the cost of its lease obligation and the leased asset at the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the same period as assets that are owned.

(e) Intangible Assets

The costs of purchasing major software hcences are capitalised as intangible fixed assets, although ongoing software maintenance costs are written off in the period in which they are incurred. As permitted by IAS 38, intangible assets are carried at depreciated historic cost, which is a proxy for fair value as they are considered to have short useful fives or low value.

(f) De-recognition

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on de¬recognition is included in the income statement in the year the item is de-recognised.

(g) Impairment

Under IAS 36, individual assets are reviewed for impairment to ensure their carrying amount is not greater than the recoverable amount. At each reporting date, the Commission assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Commission makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from othei-assets or groups of assets. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

6. Financial Instruments

(a) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised in the Commission's statement of financial position when the Commission becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(b) Financial Assets

The Commission's financial assets are classified into the following specified categories: 'Available for sale', 'cash and equivalents' and 'receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Classification

– All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

– All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- Instruments that meet the following conditions are measured subsequently at amortised cost: The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows! and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI): The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets! and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Commission may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met! and the Commission may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(ii) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Commission's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Commission maintains its bank accounts with major banks in Zambia of high credit standing.

(iii) Receivables

Trade and other receivables are not interest-bearing and are stated at cost reduced by appropriate allowances for estimated irrecoverable amounts. Receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment of receivables is established when there is objective evidence that the authority will not be able to collect all the amounts due according to the original terms of receivables. The amount of the provision is the amount between the carrying amount and the present value of expected cash flows, discounted at the effective interest

rate. The amount of the provision is recognised in the statement of comprehensive income. All other accounts receivable and other assets are carried at net realisable value, which approximates fair value.

(iv) Impairment

The Commission recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. The Commission recognises a loss allowance for expected credit losses on receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Commission's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Commission recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Commission measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(v) De-recognition

The Commission derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Commission neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Commission recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Commission retains substantially all the risks and rewards of ownership of a transferred financial asset, the Commission continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

(c) Financial Liabilities

(i) Measurement

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Other payables and amounts due to related parties are stated at their nominal value. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(ii) Payables

Trade and other payables are not interest-bearing and are stated at amortised cost.

(iii) Provisions

Provisions are recognised when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that the Commission will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(iv) Employee Benefits

Pension Contributions:

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

Other Employee Benefits

In accordance with IAS 19 employee benefits, accruals have been made for short¬term employee benefits, such as salaries, paid absences and leave pay. Provisions for leave pay are made in respect of all staff. In addition, all employees are entitled to gratuity and a provision is made thereon. The estimated monetary liability for employees' accrued gratuity and leave pay entitlement at the statement of financial position date is recognised as an expense accrual.

(v) De-recognition

The Commission derecognises financial liabilities when, and only when, the Commission's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(d) Contingent Liabilities

Contingent liabilities are initially measured at fair value. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets

and the amount initially recognised less cumulative amortisation recognised in accordance with IFRS 15Revenue from Contracts with Customers.

(e) Offsetting

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

(0 Financial Risk Management

The Commission's activities expose it to a variety of financial risks. The most important types of risk are currency risk, credit risk, liquidity risk, market risk and other operational risk. Policies and exposures on risks and financial instruments are discussed in Note 20 to the financial statements.

(g) Fair Values of Financial Assets and Liabilities

The carrying amounts of financial assets and liabilities are representative of the Commission's position at 31st December 2018 and are in the opinion of the commissioners not significantly different from their respective fair values due to generally shorts periods to maturity dates as set out in Note 15 on page 42.

7. Grants

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

8. Taxation

No allowance is made for income or deferred taxes as the Commission is exempt from taxation, except on unrelated business income.

9. Capital Management

The Commission's objective when managing capital is to safeguard the Commission's ability to continue as a going concern so that it can continue to provide benefits to stakeholders. The Commission's capital is supported by grants from the Government of the Republic of Zambia (GRZ) and its internally generated fees. The Commission considers its cash and cash equivalents to be the manageable capital from its financial resources. The Commission's policy is to maintain sufficient cash balances to cover operating and administration costs over a reasonable future period. The Commission currently has no externally-imposed capital requirements except to maintain sufficient cash balances.

10. Segmental Reporting

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

11. Revenue

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

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

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

12. Other Income and Expenditure

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

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

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies above and/or the notes to the financial statements on Pages 33 to 45. However, the key areas are summarised below.

(a) Areas of judgement that have the most significant, effect on the amounts recognised in the financial statements are:

(i) Review of asset carrying values and impairment charges and reversals

(ii) Estimation of asset fives

(iii) Determination of fair values of non-current assets

(iv) Impairment losses on receivables.

(v) The Commission makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

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

(i) Review of asset carrying values and impairment charges and reversals

(ii) Estimation of liabilities for post-retirement costs

(iii) Contingencies

14. Comparatives

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

NOTES TO THE FINANCIAL STATEMENT

Amounts are Stated in Zambian Kwacha	2018	2017
1. Fee Revenue		
Annual Fees	**1,020,000**	940,000
Authorisation Fees	**452,202**	2,003,207
Inspection Fees	**106,335**	316,335
Issuers Fees	**150,002**	267,122
Licensing Fees	**1,113,343**	1,237,059
Registration Fees	**896,646**	85,317
Other Fees	**71,000**	297,414
	3,809,528	5,146,455
2. Commissions and Levies		
Administration Fines	-	223,000
Commissions on LuSE Trades	**3,062,593**	2,216,975
Levies on Collective Investment Schemes	**618,720**	414,009
	3,681,314	2,853,983
3. Interest Income		
Interest Income-Bank Balances	-	196,412
Interest Income'Investments	**1,022,817**	1,956,948
Interest Income-Staff Loans	**71,962**	-
	1,094,779	2,153,360
4. Other Income		
Grant Income	**10,150,205**	9,668,005
Sundry Income	**210,024**	-
Tax Income	-	477,575
	10,360,229	10,145,580

5. Impairment Lose on Financial Assets

	Trade Receivables	Other Assets	Total
At 1 January 2017	88,000		88,000
Impairment Loss	36,400		36,400
Written Off	(88,000)		(88,000)
Balance at 31 December 2017	**36,400**		**36,400**
At 1 January 2017	36,400		36,400
Changes on initial application of IFRS 9	-		-
Restated Balance at 1 January 2018	36,400		36,400
Impairment Loss	**80,000**	**805,668**	**885,668**
Written Off	**(36,400)**	-	**(36,400)**
Balance at 31 December 2018	**80,000**	**805,668**	**885,668**

6. Taxation

No provision is made for taxation as the Commission is exempt from taxation

7. Property, Plant and Equipment

	Motor Vehicles	Office & Equipment	Office Furniture	Computer Equipment	CWIP	Total
Cost						
At 1 January 2018	2,221,537	256,889	436,910	588,422		3,503,758
Additions		49,999	88,470	208,651	1,041,081	1,388,202
Disposals	(417,543)		-	(49,843)	-	(467,386)
At 31 December 2018	**1,803,994**	**306,888**	**525,380**	**747,230**	**1,041,081**	**4,424,574**
Depreciation						
At 1 January 2018	869,330	85,144	315,800	417,256		1,687,530
Charge for the Period	415,155	49,380	64,604	116,968		646,108
Eliminated on Disposal	(410,836)	-	-	(49,843)		(460,679)
Adjustments		(601)	(3,878)	(3,479)		(7,958)
At 31 December 2018	873,650	133,922	376,527	480,902		1,872,959
Carrying Amounts						
At 31 December 2017	1,352,207	171,745	121,110	171,166		1,816,228
At 31 December 2018	**930,344**	**172,966**	**148,853**	**266,328**	**1,041,081**	**2,551,615**

Note 7 Cont'd

	Motor Vehicles	Office & Equipment	Office Furniture	Computer Equipment	Other Assets	Total
Cost						
At 1 January 2017	1,361,838	81,948	306,372	453,033	-	2,203,191
Additions	1,044,386	174,941	130,538	135,389	-	1,485,254
Disposals	(184,687)				-	(184,687)
At 31 December 2017	2,221,537	256,889	436,910	588,422	-	3,503,758
Denreciation						
At 1 January 2017	851,831	75,996	269,977	346,996		1,544,800
Charge for the Period	193,503	9,148	45,823	70,260	-	318,734
Eliminated on Disposal	(176,004)	-		-	-	(176,004)
At 31 December 2017	869,330	85,144	315,800	417,256	-	1,687,530
Carrying Amounts						
At 31 December 2016	510,007	5,952	36,395	106,037		658,391
At 31 December 2017	1,352,207	171,745	121,110	171,166		1,816,228

Amounts are Stated in Zambian Kwacha	2018	2017

8. Receivables at Amortised Cost

Issuer Fees	**61,324**	**481,898**
(a) Analysis of Receivables		
Gross Amounts Receivable	**141,324**	**518,298**
Less: Impairment Provision	**(80,000)**	**(36,400)**
	61,324	**481,898**
(b) Movement in Impairment Provision	**36,400**	**88,000**
At the beginning of the Period Charge for the Period	**80,000**	**36,400**
Written off during the Period	**(36,400)**	**(88,000)**
At the End of the Period	**80,000**	**36,400**
(c) Net Accounts Receivables are Summarised as follows:		
Neither past due nor impaired	**61,324**	**82,928**
Past due but not impaired		**398,970**
Impaired	**80,000**	**36,400**
Gross	**141,324**	**518,298**
Less: allowance for impairment	**(80,000)**	**(36,400)**
Net	**61,324**	**481,898**

The average credit period is 60 days. No interest is charged on outstanding trade receivables. The Commission always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Commission has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Amounts are Stated in Zambian Kwacha	2018	2017

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

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

	2018	**Amount**	ECL	2018
Ageing				
< 30 Days		**61,324**	0%	-
31 - 60 Days		-	5%	-
61 - 90 Days		-	10%	-
91'120 Days		-	25%	-
121 - 180 Days		-	50%	-
Over 180 Days		**80,000**	100%	80,000
Life Time ECL		**141,324**		80,000

	2017	**Amount**	ECL	2017
Ageing				
< 30 Days		**82,928**	0%	-
31 - 60 Days		-	2%	-
61'90 Days		-	5%	-
91 - 120 Days		**398,970**	10%	13,651
121 - 180 Days		**18,200**	25%	4,550
Over 180 Days		**36,400**	50%	18,200
Restatement Adjustment to ECL on Adoption of IFRS 9		-		-
Life Time E CL		**536,498**		36,400

Amounts are Stated in Zambian Kwacha	2018	2017

9. Other Financial Assets

	26,211	286,245
Deposits and Prepayments GRZ Grants Receivable	**805,668**	805,668
Interest Receivable	**-**	1,089,063
Staff Receivables	**639,287**	168,167
Sundry Debtors	**-**	8,900
	1,471,166	2,358,043
Less Impairment Provision	**(805,668)**	-
	665,499	2,358,043

10. Cash and Cash Equivalents

(a) Cash at Bank and in Hand		
Barclays Bank	**2,136,847**	1,709,702
Standard Chartered Bank	**4,640**	1,139,284
	2,141,487	2,848,986
(b) Short'Term Bank Deposits		
Standard Chartered Bank		7,000,000
Barclays Bank I	**5,500,000**	
Barclays Bank II	**216,344**	
	5,716,344	7,000,000
	7,857,831	9,848,986

11. Statutory Funds

Compensation Fund	**168,148**	71,489
Market Development Fund	**380,681**	429,920
	548,830	501,409

12. Deferred Income

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

13. Employee Benefits and Provisions

Gratuity Provision	**3,426,999**	2,769,288
Leave Pay Provision	**846,615**	706,839
	4,273,614	3,476,127

14. Payables, Accruals and Provisions

Accruals and Provisions	**122**	25,554
Audit Provisions	**85,960**	10,568
Capital Markets Tribunal	**1,059,305**	
NAPSA	**46,165**	220
PAYE	**639,999**	-
Sundry Payables	**1,663**	**10,342**
Save as You Earn	**1,000**	-
	1,834,214	46,685

15. Financial Instruments

The Commission's activities expose it to a variety of financial risk: market risk (including currency risk, fair value positions), liquidity and credit risk:

(a) Total Financial Instruments

	31 December 2018			
	Receivables	Assets at Fair Value through P&L	Assets at Amortised Cost	Total
Assets as per statement of financial position				
Loans and Receivables-'				
-Trade and Other receivables	726,823	-	-	726,823
-Cash and Equivalents	2,141,487	-	5,716,344	7,857,831
Total	**2,868,310**	-	**5,716,344**	**8,584,654**

	Liabilities at Fair Value through P&L	Other Financial Liabilities at Amortised Cost	Total
Liabilities as per statement of financial position			
Other Financial Liabilities	-	4,273,614	4,273,614
Trade and Other Payables	-	1,834,214	1,834,214
Total	-	**6,107,828**	**6,107,828**

	31 December 2017			
	Receivables	Assets at Fair Value through P&L	Assets at Amortised Cost	Total
Assets as per statement of financial position				
Loans and Receivables-'				
-Trade and Other receivables	1,876,145	-	-	1,876,145
-Cash and Equivalents	2,848,986	-	**7,000,000**	9,848,986
Total	**4,725,131**	-	**7,000,000**	**11,725,131**

	Liabilities at Fair Value through P&L	Other Financial Liabilities at Amortised Cost	Total
Liabilities as per statement of financial position			
Other Financial Liabilities	-	**3,476,127**	**3,476,127**
Trade and Other Payables (excluding non-financial liabilities)	-	**46,685**	**46,685**
Total	-	**3,522,812**	**3,522,812**

(b) Market Risk

(i) Currency risk

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

(ii) In terest Ra te Risk

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

(iii) Fair Values

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

(c) Credit Risk

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

As at 31 December 2018, the maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Commission due to failure to discharge an obligation by the counterparties arises from the carrying amount of each financial asset in the statement of financial position.

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

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

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

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

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

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

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

Category	Rating	ECL	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
		2018			
Bank and Cash Balances	Performing	12-Month ECL	**2,141,487**	-	**2,141,487**
Fixed Deposits	Performing	12-Month ECL	**5,716,344**	-	**5,716,344**
Receivables: Amortised Cost	Performing	Simplified Approach	**141,324**	**(80,000)**	**61,324**
Other Financial Assets	Performing	Not credit impaired	**1,471,166**	**(805,668)**	**665,499**
			7,999,155	**(80,000)**	**7,919,155**
		2017			
Bank and Cash Balances	Performing	12-Month ECL	2,848,986	-	2,848,986
Fixed Deposits	Performing	12-Month ECL	7,000,000	-	7,000,000
Receivables: Amortised Cost	Performing	Simplified Approach	518,298	(36,400)	481,898
Other Financial Assets	Performing	Not credit impaired	2,358,043	-	2,358,043
			10,367,284	(36,400)	10,330,884

The Commission's primary credit exposure from illiquidity of cash and cash equivalents amounted to K7.857million at 31st December 2018 (2017: K9.848milhon).

	2018	2017
Maximum exnosure to credit risk:		
Cash and Cash Equivalents	**7,857,831**	**9,848,986**
Receivables	**726,823**	**2,839,941**
	8,584,654	**12,688,927**

(d) ***Liquidity Risk and Interest Rate Risk***

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

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

Weighted Average Effective Interest rate	Up to 1 Month	1'3 Months	4'12 Months	1'5 Years	Total
At 31 December 2018					
Non'Interest Bearing	**508,986**	**1,526,957**	**4,071,885**	**548,830**	**6,656,658**
At 31 December 2017					
Non'Interest Bearing	1,498,440	4,495,321	11,987,522	501,409	18,482,691

(i). Liquidity Risks

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

(ii) In terest Ra te Risk

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

(iii) Cash Flow Risk

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

(e) Fair Value Estimation

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

(ii) *Tradeand other receivables/payables-'* For receivables/payables the carrying amount is deemed to reflect the fair value.

16. Capital Management

The Commission's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to controlling interests and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Commission monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt. The gearing ratios at 31 December 2018 and 2017 were as follows:

	2018	2017
Debt	-	-
Cash	**(7,857,831)**	**(9,848,986)**
Net Debt	**(7,857,831)**	**(9,848,986)**
Equity	**3,679,611**	**10,480,934**
Net debt to equity ratio	**▪213.55%**	**▪93.97%**

17. Related Parties

(a) Control of the Commission

The Commission is controlled by a Board of Commissioners. Members of the Board who held office during the year and to the date of this report are shown on Pages 2 and 3.

(b) Identity of Related Parties

The key executives of the Board i.e. officers other than Board members with the ability, directly or indirectly, to control or exercise significant influence over the Board in making financial and operating decisions, are fisted on Page 3.

(c) Transactions and Balances with Related Parties:

(1) Related Party Transactions

	2018	2017
(i) Grants from Government	**10,150,205**	9,668,005
(ii) Key Management Compensation	**3,139,632**	3,713,452
(iii) Remuneration to Commissioners	**1,086,949**	1,008,234

(2) Related Party Balances

	2018	2017
(i) Grants Payable to Government	**1,059,305**	-
(ii) Amounts Payable to key executives	**1,563,784**	-

18. Capital Commitments

The Commission had no capital commitments as at the year-end (2017:_ Nil).

19. Contingent Liabilities

(a) From time to time, it is subject to legal challenge and judicial review of decisions made in the normal course of its business as regulator of the securities and capital markets in Zambia. Legal judgements could give rise to liabilities for legal costs but these cannot be quantified as the outcome of proceedings would be unknown and there is therefore considerable uncertainty as to the nature and extent of any subsequent liability. From time to time, it is subject to legal challenge and judicial review of decisions made in the normal course of its business as regulator of the securities and capital markets in Zambia. Legal judgements could give rise to liabilities for legal costs but these cannot be quantified as the outcome of proceedings would be unknown and there is therefore considerable uncertainty as to the nature and extent of any subsequent liability.

(b) The Commission was party to two lawsuits:

(i) In *Bascom Enterprises Limited & 3 Others v. Bhati Airtel Zambia Holdings BV, Celtel Zambia Limited and the Securities and Exchange Commission,* the Commission has been sued as third defendants for breach of statutory duty arising from the Commission sanctioning the acquisition by *Bharti Airtel Zambia Holdings BV of Bascom Enterprises Limited's shares in Celtel Zambia Limited* at a nominal value of K710. The matter commenced in 2011 and has not been concluded to date. The Commission's Legal Counsel believes it is unlikely the Commission will be found in breach of statutory duty and costs incurred to date relate to legal costs on the representation by outside Counsel.

(ii) The Commission and *Lusaka Securities Exchange Pic* are plaintiffs in case involving amongst others, *Finsbury Investments Limited, and the directors/shareholders of Finance Bank* relating to authorisation fees amounting to US$184,675 believed to be due and payable to the Commission on takeover of Finance Bank Pic by *Atlas Mara Limited.* The matter is before the High Court and the parties have raised a preliminary issue on the jurisdiction of the Court to hear the matter. The Commission is representing itself in the matter and so far only internal costs have been incurred relating to filing of court papers.

Other than the above, the Commission has not entered into any unquantifiable contingent liabilities as at the year-end by offering any guarantees, letters of comfort or indemnities to anyone.

20. Events after the Reporting Date

IAS 20 requires the Commission to disclose the date on which the accounts are authorised for issue by the Board. The annual report and accounts were authorised by the Board for issue on the date of the signature of the directors and the date of the auditor's report.

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

APPENDIX - OPERATIONAL COSTS

Amounts are stated in Zambian Kwacha

	2018	2017
Employee Costs		
Basic Pay	**9,332,185**	**7,426,905**
Bonuses and Allowances	**980,412**	**1,015,534**
Gratuity	**3,014,019**	**2,126,498**
Leave Pay	**890,743**	**792,559**
Medical Expenses	**8,822**	**28,703**
NAPSA-Employer Contributions	**263,533**	**200,989**
Overtime	**125,879**	**80,736**
	14,615,593	**11,671,924**
Administration Expenses		
Advertising & Promotions	**1,915,940**	**2,638,213**
Audit Fees	**195,000**	**110,000**
Bank Charges	**67,103**	**55,232**
Board and Committee Expenses	**1,086,950**	**1,008,234**
Consultancy	**307,654**	**264,154**
Entertainment	**24,060**	**19,660**
Electricity & Utilities	**42,625**	**54,018**
Insurance	**739,491**	**587,156**
Legal Expenses	**1,993**	
Motor Vehicle Expenses	**298,122**	**71,574**
Office Rentals	**1,310,153**	**1,305,192**
Other Expenses	**314,339**	**334,858**
Penalties	-	
Postage & Courier	**23,132**	**11,622**
Print & Stationery	**118,059**	**202,683**
Property Repairs & Maintenance	-	**205,009**
Repairs & Maintenance	**87,599**	**29,351**
Security Expenses	**145,146**	**127,543**
Telephone & Internet	**301,893**	**347,998**
Workshops and Training	**2,620,547**	**2,201,153**
	9,599,806	**9,573,651**
Total Expenses	**24,215,398**	**21,245,575**

Appendix I: The SEC Staff in 2018

Name	Position	Date Left
Mr. Phillip K. Chitalu	Chief Executive Officer	-
Mrs. Diana Sichone	Commission Secretary and Director – Enforcement and Legal Services	-
Ms. Mutumboi Mundia	Director - Market Supervision and Development	-
Mr. Bruce Mulenga	Manager - Market Transactions and Investments	-
Mr. Mateyo Lungu	Manager – Finance	-
Mr. Saul Nyalugwe	Manager – Administration	-
Mr. Abraham Alutuli	Manager – Market Supervision	-
Mr. Nonde Sichilima	Manager – Market Supervision	-
Mrs. Dingase Makumba	Manager – Market Development	-
Mr. Lubunda Ngala	Manager – Law Reform and Enforcement	-
Mr. Mubanga Kondolo	Manager – Financial Inclusion	-
Mrs. Sitali Mugala	Product Development and Market Research Officer	-
Ms. Racheal M. Banda	Human Resource Officer	-
Mrs. Leah Simasiku	Surveillance Officer	-
Mrs. Veronica O. Sichone	Legal Officer	-
Mr. Thomas Thole	Investigations Officer	-
Ms. Gertrude Buyungwe	Inspector/Analyst	-
Mr. Benson Mwileli	Inspector/Analyst	-
Mr. Sydney Katumba	Information Technology Officer	-
Mrs. Theresa Chimbila	Accounts Assistant	-
Ms. Priscilla Mwale	Personal Assistant to the CEO	-
Ms. Siberia T. Siamayuwa	Pool Secretary	-
Mr. Saviour Mooya	Driver	-
Mr. Alexander Tondo	Office Assistant	-

SEC Management and Staff

Appendix II

List of Authorised Capital Market Players for 2018

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

Dealer's Licenses

The following corporate entities held a Dealer's license during the period under review:

		2019		2018	
Item	Company Name	Yes	No	Yes	No
1.	Aflife Capital Zambia Limited	√		√	
2.	Aflife Holdings Zambia Limited	√		√	
3.	Aflife Private Wealth	√		√	
4.	ABC Investment Services Limited	√		√	
5.	ABC Zambia Limited	√		√	
6.	African Life Financial Services	√		√	
7.	Altus Capital	√		√	
8.	Autus Securities Zambia Limited	√		√	
9.	Barclays Bank Plc	√		√	
10.	Black Lechwe	√		√	
11.	Citibank Zambia Limited	√		√	
12.	Commodity Hub Limited	√		√	
13	Equity Capital Resources Plc.	√		√	
14.	Finance Securities Limited	√		√	
15.	First National Bank Zambia Limited	√		√	
16.	Grofin Zambia Limited		√		√
17.	Hobbiton Investments Services Limited	√		√	
18.	Investrust Bank Plc	√		√	
19.	Kami Solutions Limited	√		√	
20.	Knutberry Trees Consultancy Limited	√		√	
21.	Kukula Capital Plc	√		√	
22.	Laurence Paul Investment Services Ltd	√		√	
23.	Longhorn Associates Limited	√		√	
24.	Madison Asset Management Company Ltd	√		√	
25.	Minet Zambia Consulting Limited	√		√	
26.	Pangaea Renaissance Securities Ltd	√		√	
27.	Prudential Life Assurance Limited	√		√	
28.	Sekela Finance Advisory Services	√		√	
29.	Stanbic Bank (Z) Limited	√		√	
30.	Standard Chartered Bank (Z) Limited	√		√	
31.	Stockbrokers Zambia Limited	√		√	
32.	Vennex Financial Services Limited	√		√	
33.	Zambia National Commercial Bank Plc.	√		√	

Appendix II

Dealer's Representative Licenses

The following persons held a Dealer's representative's license during the period under review:

Item	Name of Representative	Dealer	2019		2018	
			Yes	No	Yes	No
1.	Mukudzei-Ishe Zhou	Aflife Capital	√		√	
2.	Fortunate Ngatsha	Aflife Holdings				
3.	Danny Mulenga	African Banking Corporation Investment Services Limited	√		√	
4.	Nicholas Kabaso	African Banking Corporation Investment Services Limited	√		√	
5.	Zangose Mwanza	African Banking Corporation Investment Services Limited	√		√	
6.	Michelle M. Musonda	African Banking Corporation Investment Services Limited	√		√	
7.	Clifford Muzoka	African Banking Corporation Investment Services Limited	√		√	
8.	Richard Ndhlovu	African Banking Corporation (Z) Limited	√		√	
9.	Christopher K Mwelo	African Banking Corporation (Z) Limited	√		√	
10.	Theresa Chiluba	African Banking Corporation Limited	√		√	
11.	Mubanga Bwalya	African Banking Corporation Limited	√		√	
12.	Geoffrey Musekiwa	African Life Financial Services Limited	√		√	
13..	Vannessa K. Wright	African Life Financial Services Limited	√		√	
14.	Jones Phiri	African Life Financial Services Limited	√		√	
15.	Mumba Musunga	African Life Financial Services Limited	√		√	
16.	Valerie M. Mwiinga	African Life Financial Services Limited	√		√	
17.	Munakupya Hantuba	Aflife Private Wealth	√		√	
18.	Ken Simwaba	Altus Capital Limited	√		√	
19.	Fumanikile Bbuku	Autus Securities Zambia Limited	√		√	
20.	Joseph Simate	Autus Securities Zambia Limited	√		√	
21.	Mataka Nkhoma	Autus Securities Zambia Limited	√		√	
22.	Aaron Phiri	Barclays Bank Zambia	√		√	
23.	Boston Nkuname	Barclays Bank Zambia	√		√	
24.	Lesa Mulenga	Barclays Bank Zambia	√		√	
25.	Hanakoma Hamubwatu	Barclays Bank Zambia	√		√	
26.	Stanley Kaweme Tamele	Barclays Bank Zambia	√		√	
27.	Mukelebai Wambulawae	Barclays Bank Zambia	√		√	
28.	Bibi Ajusa	Black Lechwe Advisory Limited	√		√	
29.	Mildred Nana	Black Lechwe Advisory Limited	√		√	
30.	Mweemba Hambulo	Black Lechwe Advisory Limited	√		√	
31.	Chimuka Hakooma	Black Lechwe Advisory Limited	√		√	
32.	Chisoma Lombe	Black Lechwe Advisory Limited	√		√	
33.	David M Kabika	Black Lechwe Advisory Limited	√		√	
34.	Maria Shawa	Black Lechwe Advisory Limited	√		√	
35.	Mwenda Silishebo	Black Lechwe Advisory Limited	√		√	
36.	Jaqueline M. M Simaubi	Black Lechwe Advisory Limited	√		√	
37.	Jenny Kapansa	Black Lechwe Advisory Limited	√		√	

Appendix II

Item	Name of Representative	Dealer	2019 Yes	2019 No	2018 Yes	2018 No
38.	Geofrey Mchangila	Citibank Zambia Limited	√		√	
39.	Ngosa Mary Kafwembe	Citibank Zambia Limited	√		√	
40.	Mr. Steven Chitete	Citibank Zambia Limited	√		√	
41.	Blair Siatontola	Commodity Hub Limited	√		√	
42.	Cynthia Kabondo	Commodity Hub Limited	√		√	
43.	Chipompo Mwango Mwela	Commodity Hub Limited	√		√	
44.	Daniel Nyati	Commodity Hub Limited	√		√	
45.	Gerald Chombo	Commodity Hub Limited	√		√	
46.	Jao M Duma	Commodity Hub Limited	√		√	
47.	Jona Moomba Siwabu	Commodity Hub Limited	√		√	
48.	Joshua Kupa	Commodity Hub Limited	√		√	
49.	Chimanga Phiri	Commodity Hub Limited	√		√	
50.	Maluwiza Kademaunga	Commodity Hub Limited	√		√	
51.	Collins Jason Chongo	Commodity Hub Limited	√		√	
52.	Phillip Banda	Commodity Hub Limited	√		√	
53.	Lillian Mutinta Hamangaba	Commodity Hub Limited	√		√	
54.	Mwelwa Haggai Choko	Commodity Hub Limited	√		√	
55.	Bwalya Katongo	Commodity Hub Limited	√		√	
56.	Nsangu Tembo	Commodity Hub Limited	√		√	
57.	Musaba Ian Chileshe	Commodity Hub Limited	√		√	
58.	Cornwell Fungai Musana	Equity Capital Resource Plc	√		√	
59.	Sabera Khan	Equity Capital Resources Plc	√		√	
60.	Barkat Ali	Finance Securities Limited	√		√	
61.	Gerald Ndhlovu	First National Bank	√		√	
62.	Kapumpe Chola Kaunda	First National Bank	√		√	
63.	Ignatius Innocent Kashoka	First National Bank	√		√	
64.	Naomi Hara Palale	First National Bank	√		√	
65.	Mwangala B Mwiya	Hobbiton Investment Management Services Limited	√		√ √	
66.	Celine P. Chauwa	Hobbiton Investment Management Services Limited	√		√ √	
67.	Harry Mafuta	Investrust Bank Plc Limited	√		√	
68.	Richard Mutukwa	Investrust Bank Plc Limited	√		√	
69.	Alice Kasunga	Kami Solutions Limited	√		√	
70.	Chiyaba Chiwala	Kami Solutions Limited	√		√	
71.	David Watson	Kami Solutions Limited	√		√	
72.	Dominic Balengu	Kami Solutions Limited	√		√	
73.	Emmanuel Mwape	Kami Solutions Limited	√		√	
74.	Feke Daka	Kami Solutions Limited	√		√	
75.	Fumbe Kabanga	Kami Solutions Limited	√		√	
76.	Mildred Nkandu	Kami Solutions Limited	√		√	
77.	Mirriam Maulu	Kami Solutions Limited	√		√	
78.	Modester Tembo	Kami Solutions Limited	√		√	
79.	Mulotwa Munkonya	Kami Solutions Limited	√		√	
80.	Mukuka Kowa	Kami Solutions Limited	√		√	
81.	Mwansa Chibwe	Kami Solutions Limited	√		√	
82.	Namasiku Mulozi	Kami Solutions Limited	√		√	
83.	Philip Ngongo	Kami Solutions Limited	√		√	

Appendix II

Item	Name of Representative	Dealer	2019 Yes	2019 No	2018 Yes	2018 No
84.	Privoster Muyooma	Kami Solutions Limited	√		√	
85.	Namakau Mufaya	Kami Solutions Limited	√		√	
86.	Patrick Mwase	Kami Solutions Limited	√		√	
87.	Joshua Mwangu	Kami Solutions Limited	√		√	
88.	John Chongo Karabassis	Kami Solutions Limited	√		√	
89.	Chanda Chipasha	Kami Solutions Limited	√		√	
90.	Mapenza Maselechi	Kami Solutions Limited	√		√	
91.	Kalenga Mibenge	Kami Solutions Limited	√		√	
92.	Jessie P. Nyirenda	Knutberry Trees Consultancy Limited	√		√	
93.	Sanana T. Munyinda	Knutberry Trees Consultancy Limited	√		√	
94.	Amos Nyirenda	Knutberry Trees Consultancy Limited	√		√	
95.	Dennis Sibanze	Knutberry Trees Consultancy Limited	√		√	
96	Jito Kayumba	Kukula Capital Plc	√		√	
97.	Tue Andersen	Kukula Capital Plc	√		√	
98.	Aaron Yobe Zulu	Laurence Paul Investment Services Limited	√		√	
99.	Chiwoni Soteli	Longhorn Associates Limited	√		√	
100.	Likonge Banda	Madison Asset Management Company Limited	√		√	
101.	Brian Chintu	Madison Asset Management Company Limited	√		√	
102.	Blessing Chilombe	Madison Asset Management Company Limited	√		√	
103.	Mupanga Chilungu	Madison Asset Management Company Limited	√		√	
104.	Cecilia Kamba Siabusu	Madison Asset Management Company Limited	√		√	
105.	Claire Machila Lungwe	Madison Asset Management Company Limited	√		√	
106.	Siphiwe Nkunika	Madison Asset Management Company Limited	√		√	
107.	Nkumbu P Pelekamoyo	Madison Asset Management Company Limited	√		√	
108.	Maron Mwangala	Minet Consulting Limited Zambia	√		√	
109.	Ceaser Siwale	Pangaea Securities Limited	√		√	
110.	Tidale Mwale-Chisunka	Pangaea Securities Limited	√		√	
111.	Wendy Nsamwa Nglazi-Tembo	Pangaea Securities Limited	√		√	
112.	Matete M. Sichizya	Prudential Life Assurance Zambia Limited	√		√	
113.	Prabhleen Kohli	Prudential Life Assurance Zambia Limited	√		√	
114.	Chungu Bwale	Sekela Financial Advisory Limited	√		√	
115.	Mukoma Kachinga	Sekela Financial Advisory Limited	√		√	
116.	Natasha Bwalya	Sekela Financial Advisory Limited	√		√	
117.	Esther Chipasi	Sekela Financial Advisory Limited	√		√	
118.	Beene M. Nkulukusa	Sekela Financial Advisory Limited	√		√	
119.	Moses Mwale	Sekela Financial Advisory Limited	√		√	
120.	Kambani Maseko	Sekela Financial Advisory Limited	√		√	

Appendix II

Item	Name of Representative	Dealer	2019		2018	
			Yes	No	Yes	No
121.	Ndembela Ndhlovu	Sekela Financial Advisory Limited	√		√	
122.	Darrel C. Silavwe	Sekela Financial Advisory Limited	√		√	
123.	Mwiza M. Namwila	Sekela Financial Advisory Limited	√		√	
124.	Alinani Simbule	Stanbic Bank Zambia Limited	√		√	
125.	Chenge Besa Mwenechanya	Stanbic Bank Zambia Limited	√		√	
126.	Chitemwe Ng'ambi Kapaya	Stanbic Bank Zambia Limited	√		√	
127.	Dean Nathaniel Onyambu	Stanbic Bank Zambia Limited	√		√	
128.	Fred Siwila	Stanbic Bank Zambia Limited	√		√	
129.	Mwila Pascal Mwenya	Stanbic Bank Zambia Limited	√		√	
130.	Musenge Komeki	Stanbic Bank Zambia Limited	√		√	
131.	Prudence Khumbo Mhango	Stanbic Bank Zambia Limited	√		√	
132.	Veronica Sinkala	Stanbic Bank Zambia Limited	√		√	
133.	Victor Chileshe	Stanbic Bank Zambia Limited	√		√	
134.	Benjamine N. Mulenga	Standard Chartered Bank (Z) Plc	√		√	
135.	Chimuka Muyovwe	Standard Chartered Bank (Z) Plc	√		√	
136.	Davy Nanduba	Standard Chartered Bank (Z) Plc	√		√	
137.	Derek Bobo	Standard Chartered Bank (Z) Plc	√		√	
138.	Dorothy N. K Moono	Standard Chartered Bank (Z) Plc	√		√	
139.	Edna Towela Lungu	Standard Chartered Bank (Z) Plc	√		√	
140.	Joseph Chibwe Ngesa	Standard Chartered Bank (Z) Plc	√		√	
141.	Kabwe Mwaba	Standard Chartered Bank (Z) Plc	√		√	
142.	Kayeba Mwenechanya	Standard Chartered Bank (Z) Plc	√		√	
143.	Mubanga Yvonne Mukuka	Standard Chartered Bank (Z) Plc	√		√	
144.	Muchindu Lombe	Standard Chartered Bank (Z) Plc	√		√	
145.	Mulolwa Nkata Kamana	Standard Chartered Bank (Z) Plc	√		√	
146.	Mwaka Kalengo Mfula	Standard Chartered Bank (Z) Plc	√		√	
147.	Mwali Chisala	Standard Chartered Bank (Z) Plc	√		√	
148.	Oluseggun M. Omoniwas	Standard Chartered Bank (Z) Plc	√		√	
149.	Sampa David Shiyunga	Standard Chartered Bank (Z) Plc	√		√	
150.	Ravi Kapadia	Standard Chartered Bank (Z) Plc	√		√	
151.	Tamara M. Bbuku	Standard Chartered Bank (Z) Plc	√		√	
152.	Wiggins Mupango	Standard Chartered Bank (Z) Plc	√		√	
153.	Kamungoma Mate	Stockbrokers Zambia Limited	√		√	
154.	Maxime Chiluba Harlaar	Stockbrokers Zambia Limited	√		√	
155.	Chipo Chilala	Vennex Financial Services Limited	√		√	
156.	Hilda Chunga	Vennex Financial Services Limited	√		√	
157.	Hilda Nachizo Namunyola	Vennex Financial Services Limited	√		√	
158.	Jones Lukwesa	Vennex Financial Services Limited	√		√	
159.	Joseph Wonani	Vennex Financial Services Limited	√		√	
160.	Mafipe Chunga	Vennex Financial Services Limited	√		√	
161.	Mailes Tembo	Vennex Financial Services Limited	√		√	
162.	Mark Mondoka	Vennex Financial Services Limited	√		√	
163.	Megan Bloemker	Vennex Financial Services Limited	√		√	
164.	Michael Likando	Vennex Financial Services Limited	√		√	
165.	Mwami Mainga	Vennex Financial Services Limited	√		√	
166.	Peter Zulu	Vennex Financial Services Limited	√		√	
167.	Shuko Chunga	Vennex Financial Services Limited	√		√	
168.	Mzunze Zulu	Vennex Financial Services Limited	√		√	

Appendix II

Item	Name of Representative	Dealer	2019 Yes	2019 No	2018 Yes	2018 No
169.	Mwiza Mirriam Namwila	Vennex Financial Services Limited	√		√	
170.	Matthew Bwalya Pule	Vennex Financial Services Limited	√		√	
171.	Gift Naven Tembo	Vennex Financial Services Limited	√		√	
172.	Warren Kaunda	Vennex Financial Services Limited	√		√	
173.	Austin Hamukonka Chijikwa	Zambia National Commercial Bank	√		√	
174.	Charles Kamungu	Zambia National Commercial Bank	√		√	
175.	Cliff George Sakala	Zambia National Commercial Bank	√		√	
176.	Fredrick Mulenga Kaputo	Zambia National Commercial Bank	√		√	
177.	Kaluba Gloria Kaulugombe	Zambia National Commercial Bank	√		√	
178.	Kunda Catherine Chikumbi	Zambia National Commercial Bank	√		√	
179.	Virginia L. Mwalilino	Zambia National Commercial Bank	√		√	
180.	Lishala Clarence Situmbeko	Zambia National Commercial Bank	√		√	

Investment Adviser's License

The following corporate entities held an Investment Advisors license during the period under review:

Item	Company	2019 Yes	2019 No	2018 Yes	2018 No
1.	Charles Sichangwe	√		√	
2.	Entrust Financial Services Limited	√		√	
3.	Riscura Limited	√		√	
4.	DeVere and Partners Investment Services (Z) Limited	√		√	
5.	Allied Securities and Asset Management Limited	√		√	
6.	Enock Bwalya	√		√	
7.	Benefit Consulting Services Limited	√		√	
8.	Errol Neal Molver	√		√	
9.	Simon Kalunga	√		√	
10.	Vunani Asset Management Limited	√		√	

Appendix II

Investment Adviser's Representative License

The following persons held an Investment Advisors Representatives license during the period under review:

			2019		2018	
Item	Company Name	Investment Advisor	Yes	No	Yes	No
1.	Joost Groenveld	Allied Securities and Asset Management Limited	√		√	
2.	Chibamba Nyangu	deVere and Partners International Limited	√		√	
3.	Lynda Syamunyangwa	deVere and Partners International Limited	√		√	
4.	Maureen Nabulyato	deVere and Partners International (Z) Limited	√		√	
5.	Elizabeth Nampasa	deVere and Partners International (Z) Limited	√		√	
6.	Gift Kapande	deVere and Partners International (Z) Limited	√		√	
7.	Julian Visser	deVere and Partners International (Z) Limited	√		√	
8.	Lerato Siame	deVere and Partners International Limited	√		√	
9.	Arthur Kalumba	deVere and Partners International Limited	√		√	
10.	Dennis Nyirongo	deVere and Partners International Limited	√		√	
11.	Wenu Mutiti	deVere and Partners International (Z) Limited	√		√	
12.	David Brown	Entrust Financial Services Limited	√		√	
13	Charity Siwale	Riscura Zambia Limited	√		√	
14.	Cindy Waheeb Taudrous	Riscura Zambia Limited	√		√	
15.	Collina B. Halwampa	Benefits consulting	√		√	
16.	Kandiye T. Liweleya	Benefits consulting	√		√	
17.	Munyumba Mutwale	Vunani Asset Management Limited	√		√	

Securities Exchange Licenses

The following exchanges were licensed during the period under review:

		2019		2018	
Item	Company Name	Yes	No	Yes	No
1.	Bond & Derivatives Exchange Zambia Plc	√		√	
2.	Lusaka Securities Exchange Plc	√		√	
3.	Panex Commodity Exchange (Z) Limited	√		√	

Appendix III

Contact Details of Capital Market Players

Stock Exchange Contact Details

LuSE PLC	BaDEx PLC	PANEX PLC
Chief Executive Officer: Mrs. Priscilla Sampa **Address (physical):** Lusaka Securities Exchange 2nd floor, Mamco House Plot 316B, Independence Avenue **Address (postal):** P.O. Box 34523 Lusaka **Telephone:** +260 (211) 228391/228537 **Facsimile:** +260 (211) 225969 **E-mail:** info@luse.co.zm	**Chief Executive Officer:** Mr. Peter Sitamulaho **Address (physical):** Bonds and Derivatives Exchange Zambia Plc Plot No 7450, Katopola Road Rhodespark, Off Great East Road **Address (postal):** Post. Net Box 334 Private bag E10 Arcades Lusaka **Telephone:** +260 (211) 220537 **Facsimile:** +260 (211) 220574 **E-mail:** info@badex.co.zm	**Chief Executive Officer:** Mr. Jacob Maaga **Address (physical):** Pan African Exchange Zambia Plc 17A, Paseli Road, Northmead **Telephone:** +260 976 507 423 **E-mail:** jmaaga@panexchange.com

Dealers' Contact Details

a) Members of the LuSE

Autus Securities Limited
The Colosseum
Block A, Ground floor
Bwinjimfumu Road
Lusaka
P. O. Box 320308
Tel: +260 (211) 220460
Fax: +260 (211) 841033
Email: joshua@autussecurities.com

Equity Capital Resources
4th Floor Godfrey House
Kabelenga Road
Lusaka
Tel: +260 955 37 84 89
Email: fungai@ecrzambia.com
Website: www.ecrzambia.com

Intermarket Securities limited
Ground Floor, Farmers House Central park
P.O. Box 35832, Cairo Road
Lusaka
Tel: +260 (211) 227227-8
Fax: +260 (211) 231334
Email: joseph.mazila@intermarket.co.zm

Madison Asset Management Company Ltd
Plot 316, Independence Avenue
P.O. Box 37013
Lusaka
Tel: +260 (211) 233940/16
Fax: +260 (211) 233936
Email: likonge@madisonassets.co.zm

Appendix III

Pangaea Renaissance Securities Ltd
Pangaea Securities Limited
2nd Floor, Pangaea Office Park
Stand 2374
Great East Road
Lusaka
Tel: +260 (211) 220707
Fax: +260 (211) 220925
Email: wtembo@pangaea.co.zm

Stockbrokers Zambia Limited
32 Lubu Road
Longacres
P O Box 38956, Cairo Road
Lusaka
Tel: +260 (211) 227303/232456
Fax: +260 (211) 224055
Email: bmwamba@sbz.com.zm
Website: www.sbz.com

b) Non–Members of the LuSE

ABC Investment Services Limited
Ground Floor, Pyramid Plaza
Corner Church and Nasser Roads
P.O. Box 39501
Lusaka
Tel: +260 (211) 257980
Fax: +260 (211) 257970-6
E-mail: abcz@africanbankingcorp.com
Website: www.africanbankingcorp.com

African Life Financial Services
Independence Avenue
Mpile Office Park
Lusaka
P. O. Box 51331
Tel: +260 (211) 252265/253772
Fax: +260 (211 253112
E-mail: info@aflife.co.zm

Minet Zambia Consulting Limited (Formerly Aon Zambia Pension Fund Administrators Limited)
Acacia Park
Plot 22768
Thabo Mbeki Road, Arcades
Lusaka
P. O. Box 35403
Tel: +260 (211) 367288
E-mail: info@minet.co.zm

Barclays Bank Zambia Plc
Elunda Office Park
Plot 4643 / 4644
Addis Ababa round about, Rhodes Park
Lusaka
Private Bag E308
Tel: + (260) (211) 366150 / 169
Fax: + (260) (211) 225553
Email: customerservice.zambia@barclays.com
Website: www.home.barclays.co.zm

Citibank Zambia Limited
Citibank House
Stand No. 4646
Addis Ababa Roundabout
Lusaka
P. O. Box 30037
Tel: +260 (211) 444400
Fax: +260 (211) 226064
Email: public.affairs.zambia@citi.com
Website: www.citigroup.com

Credit Rating Agency
Suite 5, Third Floor
Farmers House, Central Park
Lusaka
P.O. Box 320445
Telephone: +260 0977 365094
Email: info@creditratingagency.net
Website: www.creditratingagency.net

Focus Financial Services Limited
1st floor, Building 3
Acacia Park
Thabo Mbeki Road
Lusaka
P. O. Box 345536
Tel: +260 (211) 291310-14
Fax: +260 (211) 291311
Website: www.focus.co.zm

Grofin Zambia Limited
No. 1 Chila Road
Kabulonga
P.O.Box 33758
Lusaka
Tel: +260 211 295875/6
Fax: +260 211 295876
Email: info.zambia@grofin.com
Website: www.grofin.com

Appendix III

Investrust Bank Plc
Investrust House
Plot 4527/8 Freedom Way
Lusaka
P O Box 32344
Tel: (0211) 238733-5
Email: investrust@investrustbank.co.zm

Kukula Capital Plc
Office 101
1st floor Foxdale Court Office Park
Plot 609 Zambezi Road,
Roma,
Lusaka
Tel: +260 211 295792
Email: info@kukulacapital.com

Laurence Paul Investment Services Limited
5th Floor, Design House
Dar es Salaam Place (off Cairo Road)
P O Box 35008
Lusaka
Tel: (0211) 220302/3
Fax: (0211) 220454
E-mail: info@laurencepaul.com
Website: www.laurencepaul.com

Professional Life Assurance Limited
Professional Life Assurance
Finsbury Park, Kabwe Round About
Lusaka
E-mail: ho@proflife.com.zm
Website: www.proflife.co.zm

Stanbic Bank Zambia Limited
Stanbic House
Head Office
Plot 2375, Addis Ababa Drive
Lusaka
P. O. Box 31955
Tel: +260 (211) 370000 – 18
Fax: +260 (211 258439
Website: www.stanbicbank.co.zm

Standard Chartered Bank Zambia Plc
Standard Chartered House
Cairo Road-South End
P O Box 31934
Lusaka
Tel: (0211) 229242/229260/229772
Fax: (0211) 222092/225337
E-mail: customer.first@zm.standardchartered.com
Website: www.standardchartered.com/zm

Zambia National Commercial Bank Plc
Head Office Building
Cairo Road-South End
P O Box 33611
Lusaka
Tel: + 260 (211) 228979/ 221355/ 221380/ 221404
Fax: + 260 (211) 223084
E-mail: customerservice@zanaco.co.zm

Investment Advisors' Contact Details

Benefits Consulting Services Limited
Mpile Office Park
74 Independence Avenue
Lusaka
P. O. Box 31986
Tel: +260 (211) 254517/252265/250190
Fax: +260 (211) 251926
E-mail: info@bencon.co.zm
Website: www.bencon.co.zm

Charles Sichangwe
Wits Limited
4th Floor, Godfrey House,
Kabelenga Road
Lusaka
Tel: +260 (211) 226441/5
Fax: +260 (211) 227116
Email: wits@zamnet.zm

Appendix III

deVere and Partners Investment Services Zambia Limited
Plot 284 Cnr Joseph Mwilwa Road and Great East Road
Rhodes Park
Lusaka
Tel: +260 211 295999
Fax: 260 211 257114
Email: deVere@devere-group.com
Website: www.devere-group.com

Entrust Financial Services Limited
Plot 377a/6a, Alstone Cottage
Bishops Road, Kabulonga
Lusaka
P. O. Box 31252
Tel: +260 (211) 260260/260800
Fax: +260 (211) 266399
Email: info@holbornservices.com
Website: www.holbornservices.com

Imara ECR Asset Management Limited
12 Mushemi Road off Lubu Road
Rhodespark
Lusaka
P. O. Box 37184
Tel: +260 (211) 840313
Email: info@ecrzambia.com
Website: www.imara.com

Profin Limited
17 Matandani Road
Rhodespark
Lusaka
P.O.Box 31425
Tel: +260 (211) 257913
Fax: +260 (211) 254360
Email: zambia@theprofingroup.com
Website: www.theprofingroup.com

Riscura Zambia Limited
Figtree house Plot No. 1
Warthog Road, Kabulonga
Lusaka
P.O.Box 320181, Lusaka
Tel: +260 (211) 262 773
Fax: +260 (211) 262 773
Email: Zambia@riscura.com
Website: www.risura.com

Listed Companies' Contact Details

African Explosives Limited (AEL) Zambia Plc
Plot 1168/M
Kitwe-Mufulira Road
P.O. Box 40092
Mufulira
Tel: +260 (966) 990945-9
Fax: +260 (212) 412749
Website: www.ael.co.za
Listed on 23rdOctober, 2006

Airtel (formerly Celtel) Zambia Plc
Stand 2375
Addis Ababa drive
Lusaka
Tel: +260 (977) 915000
Website: www.Africa.airtel.com/zambia
Listed on 11th June, 2008

Bata Shoe Company Plc
Stand 6437, Mukwa Road
Heavy Industrial Area
Lusaka
P.O. Box 30479
Tel: +260 (211) 244397/242328
Fax: +260 (211) 244254
E-mail: batashoe@zamnet.zm
Website: www.bata.co.zm
Listed on 31st March, 2009

British American Tobacco (BAT) Zambia Plc
Plot 20992, Kafue Road
Lusaka
P.O. Box 30162
Tel: +260 (211)272264/272287
Fax: +260 (211) 272271
E-mail: batzam@bat.com
Website: www.bat.com
Listed on 15th December, 1996

Appendix III

Cavmont Capital Holdings Zambia Plc
Unit C, Counting House Square (behind Arcades Shopping Centre)
Thabo Mbeki Road
P O Box 32322
Lusaka
Tel: (0211) 257772/256055/256064
Fax: (0211) 256074
E-mail: contact@cavmont.com.zm
Website: www.cavmont.com.zm
Listed on 13th September, 2006

Copperbelt Energy Corporation Plc
23rd Avenue, Nkana East
Kitwe
P.O. Box 20819
Tel: +260 (212) 244000/244281
Fax: +260 (212) 223445/244040
E-mail: info@cec.com.zm
Website: www.copperbeltenergy.com
Listed on 21st January, 2008

Investrust Bank Plc
Investrust House
Plot 4527/8 Freedom Way
Lusaka
P O Box 32344
Tel: (0211) 238733-5
E-mail: investrust@investrustbank.co.zm
Listed on 21st June, 2007

Lafarge Cement Plc
Farm No. 1880
Kafue Road
Chilanga
P.O. Box 30162
Tel: +260 (211) 367400/600
Fax: +260(211) 278134
E-mail: cement.enquiries@lafarge-zm.lafarge.com
Website: www.lafarge.com
Listed on 22nd May, 1995

Madison Financial Services Plc
Plot 316 Independence Avenue
P.O.Box 37013
Lusaka
Tel:378700-5
Email: info@madison.co.zm
Website: www.madisonshares.com
Listed on 1st September 2014

Metal Fabricators of Zambia (ZAMEFA) Plc
Plot 1400 Cha Cha Cha Road
Luanshya
P.O. Box 90295
Tel: +260(212) 510599
Fax: +260 (212) 229003/4
Website: www.pdic.com
Listed on 9th September, 2004

National Breweries Plc
Plot No. 1609/10, Sheki Sheki Road
Lusaka
P.O. Box 35135
Tel: +260 962 249 210
Fax: +260 (211) 246326
Website: www.ab-inbev.com
Listed on 16th March, 1998

Pamodzi Hotels Plc
Pamodzi Hotel Complex
Plot 463, Church Road
P.O. Box 35450
Lusaka
Tel: +260 (211) 254455/250995
Fax: +260 (211) 254005
E–mail: pamodzi.lusaka@tajhotels.com
Website: www.tajhotels.com
Listed on December 21st, 2001

Prima Reinsurance Plc
Plot 187C Namamboli Road
Fairview
Lusaka
Postnet box 658
P/Bab E891
Tel: +260 (211) 221159
Email: primare@zamnet.zm
Website: www.prima-re.com
Listed on 21st December, 2004

Puma Energy Plc
(formerly BP Zambia)
Airtel House
Stand No. 2375, Addis Ababa Drive
Lusaka
P.O. Box 31999
Tel: +260 (211) 376100
Fax: +260 (211) 376149
E–mail: zambia@pumaenergy.com
Website: www.pumaenergy.com
Listed on 18thJuly, 2002

Appendix III

Real Estate Investments Zambia Plc
(formerly Farmers House)
Farmers House, Central Park
Cairo Road
Lusaka
P.O. Box 30012
Tel: +260 (211) 227684-89
Fax: +260 (211) 222906
E-mail: robin.miller@zamsaf.co.zm
Website: www.reiz.co.zm
Listed on 27th September, 1997

Shoprite Holdings Plc
Plot 19255 Cnr, Great East and Manchinchi Roads
Manda Hill Centre
Tel: +260 (211) 251155
Website: www.shopriteholdings.co.za
Listed on 19th February, 2003

Standard Chartered Bank Zambia Plc
Standard Chartered House
Cairo Road-South End
P O Box 31934
Lusaka
Tel: (0211) 229242/229260/229772
Fax: (0211) 222092/225337
E-mail: customer.first@zm.standardchartered.com
Website: www.standardchartered.com/zm
Listed on 30th November, 1998

Zambeef Products Plc
Plot 4970 Manda Road
Industrial Area
Lusaka
P/Bag 17, Woodlands
Tel: +260 (211) 369000
Fax: +260 (211) 369050
E-mail: info@zambeef.co.zm
Website: www.zambeefplc.com
Listed on 5th April 2005

Zambian Breweries Plc
Mungwi Road, Plot 6438
Heavy Industrial Area
Lusaka
P.O. Box 30237
Tel: +260 (211) 246555
Fax: +260 (211) 242124
E-mail: zambrew@zambrew.com.zm
Website: www.ab-inbev.com
Listed on 9th June, 1997

Zambia National Commercial Bank Plc
Head Office Building
Cairo Road-South End
P O Box 33611
Lusaka
Tel: + 260 (211) 228979/ 221355/ 221380/ 221404
Fax: + 260 (211) 223084
E-mail: customerservice@zanaco.co.zm
Website: www.zanaco.co.zm
Listed on 27thNovember, 2008

Zambia Sugar Plc
Nakambala Sugar Estate
Livingstone Road
P O Box 670240
Mazabuka
Tel: +260 (213) 231103/231106
Fax: +260(213) 230385
E-mail: administrator@zamsugar.zm
Website: www.illovosugar.co.za
Listed on 28th August, 1996

ZCCM Investment Holdings Plc
ZCCM-IH Office Park
Stand No. 16806, Alick Nkhata Road
Mass Media Complex Area
Lusaka
P O Box 30048
Tel: +260(211) 220654/221023
Fax: +260 (211) 220449/221057
E-mail: corporate@zccm-ih.com.zm
Website: www.zccm-ih.com.zm
Listed on 24th January, 1996

Appendix III

Quoted Companies' Contact Details

Barclays Bank Zambia Plc
Elunda Office Park
Plot 4643 / 4644
Addis Ababa round about, Rhodes Park
Lusaka
Private Bag E308
Tel: + (260) (211) 366150 / 169
Fax: + (260) (211) 225553
Quoted on 9th March, 2005

Chambishi Metals Plc
Sub–division L and M of Lot No. 10/M
Kitwe–Chingola Road
Chambishi
P.O. Box 21151 (Kitwe)
Tel: +260 (212) 744006/7
Fax: +260 (212) 744035
E-mail: info@chambishi.com.zm
Quoted on 25th January, 2000

Chibuluma Mines Plc
Off South Downs Airport Road
Lufwanyama
P.O. Box 260499
Tel: +260 (212) 749 – 333/777/110
Fax: +260 (212) 749799/749299
E-mail: bsinkala@chib.com.zm
Website: www.metorexgroup.com
Quoted on 22nd December, 1999

Finance Bank Zambia Plc
Finance House, Cairo Road
P.O.Box37102, Lusaka, Zambia
Tel: +260 (211) 229733-42
Fax: +260 (211) 227544
Website: www.financebank.co.zm
Quoted on 13th January 2015

Kansanshi Mining Plc
Mine Site
Solwezi
P.O. Box 110835
Tel: +260 (212) 658000
Fax: +260 (212) 658300
E-mail: Sean.whittome@fqml.com
Website: www.first-quantum.com/our-business/operating-mines/kansanshi
Quoted on 29th June, 1999 (as Cyprus Amax Kansanshi Plc)

Konkola Copper Mines Plc
Stand M/1408
Fern Avenue
Chingola
P/Bag KCM (c) 2000
Tel: +260 (211) 350604
E-mail: corporate.communications@kcm.co.zm
Website: www.kcm.co.zm

Mopani Copper Mines Plc
Corporate Office
Central Street Nkhana West
Kitwe
P.O. Box 22000
Tel: +260 (212) 247012/247847
Fax: +260 (212) 247445
E-mail: mopani@mopani.com.zm
Website: www.mopani-copper-mines

Professional Life Plc
Finsbury park, Cairo road
Northend
Lusaka
P.O. Box 31357
Tel:+260 (211) 222223/4
E-mail: ho@proflife.co.zm
Website: www.picz.co.zm
Quoted on 9th December 2014

Veritas General Insurance Plc
Plot 6/60 Kapilingila House
Kabulonga Road, Kabulonga
Lusaka
P. O. Box 31965, Lusaka
Tel: + (260) (955) 359 873
Fax: + (260) (211)266366
Email: veritas@veritasgeneral.com
Quoted on 19th February, 2015

Engineering Institute of Zambia Properties Plc
CL/7 Brentwood drive
Longacres
Lusaka
P.O. Box 51084 (Lusaka)
Tel:+260 (211)255161/256205
E-mail: eiz@coppernet.zm
Quoted on 9th April 2015

Appendix III

Nanga Farms Plc
P.O. Box 670079
Mazabuka
Tel: +260 (211) 251894 & 260 (213) 235340/41
Fax: +260 (213) 235341 & 260(211) 251894
E-mail: nanga@zamnet.zm or nanga@iwayafrica.com
Quoted on 20th February 2007

Professional Insurance Corporation Zambia Plc
Finsbury Park, Kabwe Roundabout
P.O. Box 34264 Lusaka
Tel: +260 (211) 366703
E-mail: customerservice@picz.co.zm
Website: www.picz.co.zm
Quoted on 24th September 2014

Ikulileni Investments Plc
Building 3, Acacia Park
Stand 22768. Thabo Mbeki Road
P.O. Box 35464 (Lusaka)
Tel: +260 (211)370140-5
Fax: +260 (211) 370018-20
Website: www.stanbic.co.zm
Quoted on 18th April, 2015

Details of Companies with Listed Debt Securities

Bayport Financial Services - Debt securities listed on 24th April 2014
Plot 68 Independence Avenue
Lusaka
P.O. Box 33819
Tel: +260 (211) 257243
Fax: +260 (211) 257432
E-mail: jchola@bayportfinance.com
Website: www.bayportfinance.com

Focus Financial Services Limited - Debt securities listed on 24th April 2014
1st floor, Building 3
Acacia Park
Thabo Mbeki Road
Lusaka
P. O. Box 345536
Tel: +260 (211) 291310-14
Fax: +260 (211) 291311
Website: www.focus.co.zm

Investrust Bank Plc - Debt securities listed on 30th November 2009
Investrust House
Plot 4527/8 Freedom Way
Lusaka
P O Box 32344
Tel: (0211) 238733-5
E-mail: investrust@investrustbank.co.zm
Website: www.investrustbank.com

Izwe Loans Zambia Limited - Debt securities listed on 15th July 2013 and 1st August 2013
Ground Floor, South Wing
Lubuto House, Lubuto Road
Rhodes Park
P. O .Box 35087
Lusaka
Tel: +260 (211) 235273
Email: info@izwezambia.com
Website: www.izwezambia.com

Real Estate Investments Zambia Plc - Debt securities listed on 12th November 2010
(formerly Farmers House)
Farmers House, Central Park
Cairo Road
Lusaka
P.O. Box 30012
Tel: +260 (211) 227684-89
Fax: +260 (211) 222906
E-mail: robin.miller@zamsaf.co.zm
Website: www.reiz.co.zm

Ulendo Road Infrastructure Road Programme (RINP) - Debt securities listed on 11th December, 2015
2nd Floor, Pangaea Office Park
Stand No. 2374 Great East Road
Lusaka
P.O. Box 34536 (Lusaka)
Tel:+260 (211)291310-14
Fax:+260 (211) 291312
Website: www.focus.co.zm

Appendix III

Madison Finance Services Limited - Debt securities listed on 1st September, 2014
Madison House
Plot 318, Independence Avenue
Thabo Mbeki Road
Lusaka
P. O. Box 34366
Tel: +260 (211)252248/49
Email: customerservice@mfinance.co.zm
Website: www.mfinance.co.zm

Stanbic Bank Zambia Limited Plc - Debt securities listed on 31st October, 2014
Stanbic House
Plot 2375, Addis Ababa House
Lusaka
P O Box 31955 (Lusaka)
Tel: (0211) 370000
E-mail: zambiacallcentre@stanbic.com
Website: www.stanbic.co.zm

International Finance Corporation (IFC) - Debt securities listed on 29th September, 2013
746B Pyramid Plaza, Church Road Lusaka
P. O. Box 35410
Tel: +260 (211) 373268
Fax: +260 (211)373249
Email: gchisanga@ifc.org
Website: www.ifc.org

Invest in knowledge ...

learn and know about your Capital Markets

Have you taken time to learn about Capital Markets and the role of the Securities and Exchange Commission (SEC)?

As regulator for Capital Markets, the SEC is focused on providing a safe and secure environment for businesses to raise capital while protecting investors.

The safety of our Capital Markets is our priority.

Let's talk Capital Markets

SEC

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

info@seczambia.org.zm

SECURITIES AND EXCHANGE COMMISSION

Protecting Investors in the Capital Markets

Securities and Exchange Commission

@seczambia

Securities and Exchange Commission
Plot 3827, Parliament Road, Olympia
P.O. Box 35165, Lusaka-ZAMBIA
Office: +260 (211)
227012/222368/222369/226386
Fax: +260 (211) 225443
Email: info@seczambia.org.zm
Website: www.seczambia.org.zm