

The Securities (Fees and Levies) Rules, 2019
STATUTORY INSTRUMENT NO. OF 2020

**The Securities Act
(Act No. 41 of 2016)**

The Securities (Fees and Levies) Rules, 2020

IN EXERCISE of the powers contained in sections 9 and 220 of the Securities Act, the following Rules are hereby made:

PART I

PRELIMINARY

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|----------------|---|
| Title | 1. These Rules may be cited as the Securities (Fees, and Levies) Rules, 2019. |
| Interpretation | 2. In these Rules, unless the context otherwise requires –
“authorization” means the authorization of a takeover, merger, collective investment scheme, employee share ownership scheme, other scheme, foreign scheme, venture capital fund or the trustee, custodian or manager of a collective investment scheme or other capital market operator as the Commission may determine;
“applicant” means a person who is applying to the Commission for an authorisation, a licence, recognition, registration or other process for |

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which the Commission is required to make a decision;

“financial year” means the period from 1st January to 31st December in each year or such other period of twelve months consisting the capital market operator’s financial year;

“licence” means a licence issued under the Act and “licensee” shall be construed accordingly;

“recognition” means the recognition, by the Commission, of an organisation as a self-regulatory organization or other capital market operator as the Commission may determine;

“registration” means the registration of securities as provided for under the Act or the registration as any other capital market operator as the Commission may determine; and

“waiver” means the Commission’s decision to give up or forgo all or part of the statutory fees required to be paid by an applicant under the Rules.

PART II

FEES AND LEVIES

Fees and levies

3. (1) The fees prescribed in the Schedule shall be payable to the Commission, with respect to –
- (a) the issuance of a licence, registration, authorization or recognition under the Act;
 - (b) the registration of securities under Part VIII of the Act;
 - (c) the authorisation of takeovers, mergers, collective investment schemes,

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employee share ownership schemes, other schemes, foreign schemes and venture capital funds; and

- (d) any other matter prescribed under the Act for which the fee specified in the Schedule is payable.

(2) The fees prescribed to be paid under sub-Rule (1) shall, where applicable, equally apply to debt securities.

When payment due

4. (1) The fee payable for the licensing, registration, authorization or recognition of a capital market operators shall, unless otherwise required by the Commission, be payable on submission of the application for which a fee is payable.

(2) A licensee shall, on or before the thirty-first day of December each year, pay the annual licence fee specified under the Schedule for the licence for which the licensee has been issued.

(3) The annual fee referred to under sub-rule (2) shall be paid in advance for the subsequent year.

(4) Despite sub-rule (1), the Commission may, on application by an applicant for the issuance of debt securities, authorise the issuer to pay the fee for the registration of the debt securities based on the amount actually raised in an issuance.

(5) Unless the Commission approves a different time frame, the fee referred to in sub-rule (4) shall be paid within seven days of the debt issuance closing.

Waiver etc. by
Commission

5. (1) Where there are exceptional circumstances preventing an applicant from paying all or part of the fee

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which would otherwise be payable under these Rules, the applicant may apply to the Commission for a waiver of part or all of the fees required to be paid under the Act or these Rules.

(2) An applicant for a waiver under sub-rule (1) shall, in the application, state the reasons why the waiver should be granted.

(3) Where the Commission considers it appropriate in the exceptional circumstances of a particular case and taking into consideration the reasons advanced by the applicant for the waiver, the Commission may waive payment of all or part of the fee which would otherwise be payable under these Rules.

(4) Where it appears to the Commission that, owing to the exceptional circumstances of a particular case, the retention by the Commission of a fee which has been paid would be inequitable, the Commission may refund all or part of the fee.

(5) In determining whether or not an application is exceptional, the Commission may consider the following factors, among others:

- (a) the relevant government policy in support of the waiver;
- (b) the need to balance the commercial needs of the applicant and the legitimate expectations of investors;
- (c) the commercial ramifications of a waiver not being granted;
- (d) the need to uphold investor protection;
- (e) the need to maintain the reputation of the capital markets in Zambia; and

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(f) the reasonable justification adduced by the applicant for the grant of a waiver.

(6) The decision of the Commission in granting or rejecting an application for a waiver shall be reasoned.

Compensation fund
levy

6. (1) A dealer or investment advisor shall pay a Compensation Fund levy, as required under paragraph (a) of section 179 of the Act, of five per cent of the net capital employed in the licensee's business or ten thousand fee units, whichever is less.

(2) The levy referred to under sub-Rule (1) shall be payable –

(a) within seven days, or such further time as the Commission may in a particular case allow, after the grant of the licence;

(b) for a dealer or investment advisor who is already licensed, by the 31st of December for each subsequent year for which the person is licensed; or

(b) at such times thereafter as the Commission, having regard to the purposes and requirements of Part XVI of the Act, shall direct.

Revocation of S.I. No
165 of 1993

7. The Securities (Licensing, Fees and Levies) Rules, 1993, are revoked.

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SCHEDULE

PRESCRIBED FEES

(Rule 3)

	Fee	Fee Units
1	Application for a licence as a securities exchange	333,333
2	Annual fee for a securities exchange licence	111,111
3	Application for a licence as a clearing and settlement agency, credit rating agency or dealer	66,666
4	Annual fee for clearing and settlement agency licence, credit rating agency licence or dealer's licence	66,666
5	Application for a licence as an investment advisor	33,334
6	Annual fee for an investment advisor's licence	33,334
7	Application for a licence as a dealer's representative or investment advisor's representative	13,334
8	Annual fee for a dealer's representative's licence or investment advisor's representative's licence	13,334
9	Application for a licence as a share transfer agent	3,334
10	Annual fee for a share transfer agency licence	3,334
11	Application for recognition as a self-regulatory organization	33,334
12	Authorisation of fund manager or authorization of manager, custodian or trustee of a collective investment scheme	66,666
13	Application for licensing, registration, authorization or recognition as Other Capital Markets Operator	33,334
14	Annual fee for Other Capital Markets Operator's licence, registration, authorization or recognition	33,334
15	Approval of nominee company	66,666
16	Approval to act as underwriter in a particular transaction	66,666
17	Authorisation of an intermediary	66,666
18	Application for reprinting or replacement of licence, registration, authorization or recognition document	3,334
19	Amendment of a licensing, registration, authorization or recognition condition	50% of applicable fee for the license, registration, authorization or recognition
20	Inspection of register of licensed persons kept under section 44(3) of the Act	1,112
21	Taking extracts from the record kept under section 44(3) of the Act (per page)	33
22	Examination of prospectus or other offer documents	111,112

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	Fee	Fee Units
23	Examination of document other than a prospectus, offer documents or documents submitted pursuant to continuing obligations	55,556
24	Registration of securities other than debt securities	Subject to the minimum and maximum fees for the registration of securities, 0.25% of market value or nominal value, whichever is higher, of the proposed issuance or securities to be registered
25	Registration of debt securities	Subject to the minimum and maximum fees for the registration of securities, 0.125% of the value of the proposed issuance
26	Minimum fee for registration of securities	166,667
27	Maximum fee for registration of securities	6,666,667
28	Authorization of takeover or merger transaction under section 134 of the Act	0.25% of the value of the transaction up to a maximum of 6,666,667
29	Grant of waiver under Rule 56 of the Securities (Takeovers and Mergers) Rules	1,000,000
30	Securities exchange buy side of the trade	0.125% of the value of the trade
31	Securities exchange sell side of the trade	0.125% of the value of the trade
32	Off-market buy side of the trade	0.125% of the value of the trade
33	Off-market sell side of the trade	0.125% of the value of the trade
34	Authorisation of employee share ownership scheme or other scheme	222,222
35	Authorisation of Collective Investment Scheme-single portfolio/fund	222,222
36	Authorisation of Collective Investment Scheme-multiple portfolio/fund	333,334
37	Authorisation of foreign Collective Investment Scheme	333,334
38	Authorisation of venture capital fund	222,222
39	Levy on Collective Investment Scheme per Portfolio/fund	Annual fee of 0.125% of the value of the fund (paid in four equal quarterly installments of 0.03125% of the value of the fund each)
40	Levy on foreign Collective Investment Scheme	0.125% annually per fund
41	Annual issuer fee for issuers of securities, including collective investment schemes	66,666
42	Annual securities exchange operation levy	1% of annual turnover of gross earnings excluding buy and sell trades
43	Annual clearing and settlement agency operation levy	1% of annual turnover of gross earnings
44	Compensation Fund levy on Dealers and Investment Advisors	11,112 annually or 5% of the net capital employed in a

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	Fee	Fee Units
		dealer's or investment advisor's business, whichever is less
45	Approval of securities depository	66,666 annual fee
46	Annual levy on securities depositories	1% of annual turnover
47	Application by Capital Markets Operator for exemption from any provision of the Act	100% of applicable fees for the license, registration, authorization or recognition, submitted on application for the licence, registration, authorization or recognition
48	Inspection of Capital Market Operator	4,200 per hour
49	Approval for conducting a continuous professional development programme	5,556

Made by the Securities and Exchange Commission this _____ day of _____, 2019.

A. SIWILA
Chairperson

G. NONDE
Vice-Chairperson

J. CHIPILI,
Member

LUSAKA
[MF.102/9/240]