

# ONLINE SECURITIES TRADING PROCESS SIMPLIFICATION

## A. SIMPLIFIED KYC REQUIREMENTS

**The documents required for opening a Securities Trading Account are:**

1. National Identity Card or Valid passport- Acceptable identification documents
2. Securities Trading Account Opening Form –Investor should fill in Bank details and Mobile Number.

Citizenship	Documents Required
For Local Investors	<ul style="list-style-type: none"> <li>• National Identity Card</li> <li>• Securities Trading Account Opening Form</li> </ul>
For Zimbabweans in Diaspora	<ul style="list-style-type: none"> <li>• National Identity Card</li> <li>• Securities Trading Account Opening Form</li> </ul>
For Foreigners	<ul style="list-style-type: none"> <li>• Valid Passport</li> <li>• Securities Trading Account Opening Form</li> </ul>
For Companies-Local/Foreign	<ul style="list-style-type: none"> <li>• Certified Copy of Certificate of Incorporation</li> <li>• Board Resolution</li> <li>• National Identity Card or Valid passport for signatories</li> <li>• Securities Trading Account Opening Form</li> </ul>

**NB:** The Securities Market Intermediaries will rely on third parties for KYC i.e. Mobile Network Operators and Banking Institutions since these third parties Customer Due Diligence providers are well regulated, supervised and monitored in terms of FATF Recommendation 17.

## B ACCOUNT OPENING PROCEDURE

### Steps

1. Investor approaches or visits website of a Stockbroker, Chengetedzai Depository Company, Custodian, Zimbabwe Stock Exchange or Financial Securities Exchange.
2. Fill in and submit duly completed Securities Trading Account Opening Form **online** and **attach** ID or Valid Passport;
3. Selected broker receives notification of new account authorization request on the CSD system or Broker System;
4. Broker reviews Form and the submitted KYC documents;
5. Broker authorizes or rejects Securities Trading Account opening application on the CSD system or Broker System
6. If account is authorized a unique Account Number will be provided and investor alerted of the approval of the account and the account number. The Account Number will be used for all correspondences between the CSD and the investor,
  - a) SMS or email notification is sent to investor
  - b) One Time Password (OTP) sent to investor by SMS and/or Email
  - c) PDF form and KYC documents stored on server and at CSD
7. If account is rejected,
  - a) SMS or email notification is sent to investor
  - b) PDF form stored on server and at CSD

## C. INVESTOR PRETRADING CONDITIONS

### BUY ORDER

#### Steps

1. Investor buys shares through Account opened in **B**;
2. Account funding:
  - 2.1 Deposit funds into broker's account or
  - 2.2 Sell securities to fund account.
3. Place a Buy order based on balance/amount available from 2.
4. System checks balance on the client's account.
5. If funds are available order is forwarded by Broker to ATS for execution
6. If not funded, order is rejected and investor alerted that the account is not funded
7. Client receives notification of order's fate
8. Upon trade execution, investor receives notification confirming trade
9. Investor's account credited with securities bought
10. Funds are quarantined and applied for settling purchased securities
11. Once settled the securities shall be immediately available for trading by the investor
12. Update client statement to reflect the trade

## **SELL ORDER**

### **Steps**

1. Investor sells shares through existing account opened in **B**
2. Investor places an order to sell securities based on the balance on his/her account.
3. The online Trading System checks the securities balance on the client's account with the ATS/CSD.
4. If securities are available, the order is forwarded to ATS for execution.
5. If securities are not available, the order is rejected
6. Client receives notification of order's fate
7. Upon trade execution, investor receives notification
8. Securities are quarantined pending settlement
9. Investor's account credit with funds due from sales proceeds and funds shall be available for new purchases orders up to the balance available in the account
10. Update client statement to reflect the trade

## D. TRADING AND SETTLEMENT GUIDELINES

### Steps

1. Initial pre-settlement reports made available to investors in real time on T+0 upon order matching.
2. Investors advised through email of trade confirmation by their Depository Participants on T+2 at 15.30pm.
3. Final pre-settlement reports send to investors on T+2 15.30pm.
4. CSD sends Settlement File to the RBZ on T+3 08.30am.
5. Deadline for Deal Funding by Depository Participants on T+3 10.00am.
6. Deal Settlement through Delivery vs Payment process between Depository Participants
7. Trades executed during the day are settled based on the net obligations for the day. Trades in Zimbabwe are settled on a T+3 day basis where T stands for the trade day. Hence trades executed on a Monday are typically settled on the following Thursday (Considering 3 working days from the trade day). The funds and securities pay-in and pay-out are carried out on T+3 day.

## **F. MINIMUM CLIENT REPORTING INFORMATION**

1. Deal Note and Transaction costs
2. Tracking Market Movements
3. Investor Portfolio
4. Investor Trading Account fund (Cash) balance
5. Top gainers or losers
6. Custom Watch-list (Personalized Market watch) and Alerts
7. Transaction history-money due and payment made
8. SMS or email notifications of all transactions
9. Instruments/ Securities List
10. Internet/Mobile Trading App Demo