

Capital Market Investment Process

New Investor

If one is investing in the capital market for the first time (i.e. buying securities) one should follow the following processes:

1. Approach a licensed Securities Dealer (Stockbroker) from a list of licensed securities dealers available on the SECZ and Securities Exchanges Websites.
2. A securities dealer opens a trading account; a Securities Account on the Central Securities Depository and a Securities Custodian Account.
3. The following documents are required to open an account
 - a) On Individual investors (above 18years):
 - a certified copy of National Identity Card (NIC) or valid passport,
 - Proof of residence,
 - two recent colour passport size photographs,
 - b) On Minors, Guardians are required to submit a Certified Copy of Birth Certificate of the minor & National Identity Card/ Valid Passport of the Guardian.
 - c) On Corporate body, association or other entity:
 - a certified copy of Certificate of Incorporation,
 - Memorandum and Articles of Association
 - Board Resolution,
 - Certified Copy of National Identity Card or Valid passport of all signatories and
 - Passport size photographs of all signatories
4. The investor will be issued with a Unique Account Number used for all correspondences between the CSD and the investor
5. The investor can now deposit money through normal banking channels and give instructions to the Stockbroker to buy shares.
6. The Securities dealer will trade the shares on the Automated Trading Platform and advise the investor through issuing the brokers note which contains the following details:
 - Name and number of securities
 - Date on which the order was executed
 - Nature of the transaction(whether you bought or sold)
 - Price at which the transaction was executed (Value of securities purchased)

- Total transaction costs
7. The investor can access his or her account statement through the securities dealers and the account statement can be sent electronically.

Old Investors

Old investors that already hold physical share certificates, to dematerialise (change to electronic form at zero cost) should:

- Approach Securities dealers or Custodians or the CSD with physical Share Certificate(s) and their National Identity Card only
- Open a Securities Account (as in the above process)
- Investors should complete a Securities Deposit Form in quadruplicate with the Custodian or Stockbroker or CSD and retain the original copy for their records.
- The Account number is quoted on the Securities Deposit Form.
- The investor should ensure that the information on the Securities Deposit Form is correct and consistent with the information on the share certificate.

*****Disposing Securities**

The investors should instruct their Securities dealers to sell the securities on their behalf