Winding-Up. Has any body corporate, partnership, or unincorporated institution with which the person was associated as a controlling party shareholder, director, executive officer or senior management officer, in Malawi or elsewhere, been wound-up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors, or ceased trading either while the person was associated with it, or within one year after the person ceased to be associated with it, or has anything analogous to any of these events occurred under the laws of any other jurisdiction?

(15) An official resolution of the board of directors authorizing the submission of the subject request to the Registrar.

(16) For directors, in addition to the information referred above:

(*a*) proposed membership of committees of the board of directors; and

(*b*) a certified copy of the resolution taken by the general meeting of shareholders or directors of the securities market player on the appointment of the person to the boardof directors which specifically states that the appointment is subject to the written approval of the Registrar and the person will not act in said capacity until the Registrar's written approval of the request has been issued.

(17) For executive officers and senior management officials in addition to items 1-17 above;

(*a*) copies of any employment contracts; and

(*b*) a certified copy of the minutes of the meeting of the board of directors demonstrating that the board of directors has evaluated the proposed executive officer or senior management official according to the "fit and proper" standards prescribed in this directive and has determined that the person is "fit and proper" for the position as an executive officer or senior management officer of the securities market player.

Made this 4th day of May. 2015.

C. S. R. CHUKA
Registrar of Financial Institutions

(FILE NO.EA/FSPU/1/1)

GOVERNMENT NOTICE NO. 22

FINANCIAL SERVICES ACT

(NO. 26 OF 2010)

FINANCIAL SERVICES (LICENSING REQUIREMENTS FOR A STOCK EXCHANGE) DIRECTIVE, 2015

ARRANGEMENT OF PARAGRAPHS

PARAGRAPH

PART I—PRELIMINARY

1. Citation
2. Interpretation
3. Objectives

PARAGRAPH

PART II—LICENSING

4. Application for a licensing
5. Eligibility for licensing
6. Application by foreign investors

PART III—APPROVAL PROCESS

7. Approval criteria
8. Grant or denial of licence
9. Licence renewal

PART IV—OPERATION OF A STOCK EXCHANGE

10. Commencement of business
11. Agreements
12. Listing of securities
13. Self-regulation
14. Stock exchange trading system
15. Rules of a stock exchange

PART IV—REPORTING OBLIGATIONS

16. Record obligation
17. Inspection reports

PART IV—ENFORCEMENT

18. Monetary penalties
19. Administrative penalties

SCHEDULES

First schedule	Application Form for a Stock Exchange Licence Under Part III of the Financial Services Act, 2010
Second schedule	Licence Format
Third schedule	Application Form for Renewal of a Stock Exchange License Under Part III of the Financial Services Act, 2010
Third schedule	Disclosures in in Financial Stataements of a Stock Exchange

IN EXERCISE of the powers conferred by section 21 (5) of the Financial Services Act, 2010, I, CHARLES S. R. CHUKA, Registrar of Financial Institutions, issue the following Directive—

PART I—PRELIMINARY

Citation

1. This Directive may be cited as the Financial Services (Licensing Requirements for a Stock Exchange) Directive, 2015.

Interpretation

2.—(1) In this Directive, unless the context otherwise requires—

"applicant" means shareholders of a proposed stock exchange who have submitted an application to operate a stock exchange;

"dormant company"means a company that is not engaged in business;

"home supervisory authority" means the competent regulatory authority that supervises institutions engaged in stock exchange business in the country where the head office of a foreign stock exchange is located; and

Cap 46:03

"subsidiary" has the meaning ascribed to that term under the Companies Act.

Objectives

3. The objectives of this Directive are to—

(*a*) establish licensing requirements for a stock exchange;

(*b*) specify information required by the Registrar in assessing licence applications for a stock exchange;

(*c*) ensure that stock exchange licence applications are evaluated in an objective, consistent and timely manner; and

(*d*) provide minimum operation requirements of a stock exchange.

PART II—LICENSING

Application for a licence

4.—(1) An application for a licence to operate a stock exchange shall be submitted to the Registrar.

(2) An applicant shall submit a letter signed by a representative of the shareholders together with a completed application form set out in the First Schedule hereto, and include the following in the application—

(*a*) the proposed rules of the stock exchange;

(*b*) the memorandum and articles of association of the proposed stock exchange;

(*c*) details of the trading system proposed to be adopted by the proposed stock exchange; and

(*d*) a non-refundable application fee of five hundred thousand Kwacha (K500,00000) in the form of a bank certified cheque payable to the Reserve Bank of Malawi.

(3) Where the information submitted under subparagraph (2) is not adequate, the Registrar may, in writing request the applicant to submit additional information.

Eligibility for licensing

5.—(1) Only a company incorporated in Malawi, shall be eligible to apply for a stock exchange licence.

(2) The Registrar shall not approve an application for a stock exchange licence where one of the shareholders of the proposed stock exchange is a dormant company.

Application by foreign investors

6.—(1) Where an applicant for a stock exchange licence is a foreign investor, the applicant shall register its capital with the Reserve Bank.

(2) Where the applicant in subparagraph (1) is a regulated financial institution, it shall submit to the Registrar, a letter from the home supervisory authority—

(*a*) authorizing the applicant to establish a subsidiary in Malawi; and

(*b*) confirming that the foreign investor is not a dormant company.

PART III—APPROVAL PROCESS

Approval criteria

7.—(1) In considering an application for a stock exchange licence, the Registrar shall take into account the following—

(*a*) whether the applicant has submitted all the required information, including additional information if need be;

(*b*) whether the applicant has fulfilled all the licensing requirements as stipulated in the Act, the Securities Act, 2010 and in this Directive;

Act No. 20 c 2010

(*c*) the applicant's business plan;

(*d*) the legal structure of the proposed stock exchange, its affiliates, parent company and shareholders;

(*e*) the applicant's financial capacity;

(*f*) the applicant's demonstrated commitment to good corporate governance practices; and

(*g*) the risk management systems to be adopted in the proposed stock exchange.

(2) The Registrar may, where considered necessary, in writing, invite any applicant for an interview stating specific objectives of the interview.

(3) The Registrar shall carry out a due diligence assessment of an applicant as part of the licensing process.

Grant or denial of a licence

8.—(1) The Registrar shall communicate to an applicant the outcome of the application within sixty (60) days of receipt of a complete application.

(2) Where the Registrar approves an application for a stock exchange licence, the Registrar shall issue a stock exchange licence to the applicant for a period of five (5) years in the format set out in the Second Schedule hereto.

(3) Where the Registrar does not approve an application for a stock exchange licence, the Registrar shall communicate in writing to the applicant, the reasons for the decision.

(4) An applicant who is not satisfied with the reasons given in subparagraph (3) may appeal to the Financial Services Appeals Committee within twenty one (21) working days of receiving the communication.

Licence renewal

9.—(1) An application for a renewal of a licence shall be made to the Registrar—

(*a*) in the form set out in the Third Schedule hereto;

(*b*) at least three(3) months prior to the expiry date of an existing licence; and

(*c*) accompanied by a non-refundable licence renewal fee of two hundred and fifty thousand kwacha (K250,000.00).

(2) Where an application for the renewal of licence is approved, a new licence shall be granted, which shall be valid for a period of five (5)years.

(3) Where an application for a renewal of a licence is not approved, the Registrar shall communicate in writing to the applicant, the reasons for the decision.

(5) An applicant who is not satisfied with the reasons given in subparagraph (4), may appeal to the Financial Services Appeals Committee within twenty one (21) working days of receiving the communication.

PART IV—OPERATION OF A STOCK EXCHANGE

Commencement of business

10.—(1) The Registrar shall inspect the premises of the licensed stock exchange to ascertain their suitability for operation of business, prior to the stock exchange commencing business.

(2) A licensed stock exchange shall not commence business until the Registrar has approved, as suitable, the premises from which the stock exchange intends to operate.

(3) A licensed stock exchange shall commence business within one year from the date the licence is granted.

(4) The Registrar shall revoke the licence of a licensed stock exchange that does not commence business within a year, as stipulated in subparagraph (3).

Agreements

11. All management or technical assistance agreements involving a stock exchange shall be approved by the Registrar.

Listing of securities

12.—(1) A stock exchange shall not list a security which has not been registered by the Registrar.

(2) A stock exchange shall provide in its listing rules, and with respect to each market segment, the procedure for admission to listing of registered securities.

Self-regulation

13.—(1) A stock exchange shall have—

(*a*) a procedure and appropriate system of exercising self-regulation over its members;

(*b*) a code of conduct for its members;

(*c*) adequate trading surveillance and compliance capacity; and

(*d*) a procedure for dispute resolution.

(2) A stock exchange shall implement a system of self-regulation with respect to its full and associate members and shall ensure that the day to day

management of trading, settlement, delivery and all other activities of its full and associate members, are in accordance with the memorandum and articles of association and rules of the stock exchange which have been approved by the Registrar.

Stock exchange trading system

14.—(1) A proposed trading system to be adopted by a stock exchange shall be approved by the Registrar before such system is implemented.

(2) The trading system referred to in subparagraph (1) shall provide trading for—

(*a*) a trading facility at which all bids to purchase and offers to sell, are exposed to each other and at which members of the public are granted an opportunity to witness trading;

(*b*) a transparent and efficient pricing mechanism which—

(i) displays the best offer and bid prices;

(ii) provides for automatic matching;

(iii) shows the latest transactions as well as the volume of securities traded;

(iv) has an audit trail and trace back mechanism for all trade transactions;

(v) has sufficient internal controls and security measures to ensure that only authorized persons have access to the trading system;

(vi) provides for integration with a central depository system, where applicable; and

(vii) maintains records of all trade transactions and retrieves such records as may be necessary; and

(*c*) any other facility that the Registrar may determine as appropriate.

Rules of a stock exchange

15. Rules proposed to be adopted by an applicant for a stock exchange licence shall be in compliance with the Act and the Securities Act and make provision for—

(*a*) admission to the listing, suspension or de-listing of securities by the stock exchange, through a procedure prescribed by the Registrar;

(*b*) the conditions governing dealing in securities by its members so as to ensure protection of the rights of investors;

(*c*) prompt disclosure, in a manner that is fair to all investors, of material information of a price sensitive nature and information likely to affect the price of a security including fees on management contracts, to enable appraisal of an issue by investors;

(*d*) protection of investors against abuse of confidential information, misleading information, fraud, deceit, and other adverse practices in the issuing and trading of securities;

(*e*) prohibition of market manipulation in any form;

(*f*) investigation into trading in securities and financial transactions of stockbrokers and dealers and for conducting surprise checks on such members;

(*g*) suspension of trading of any security for the protection of investors or for the conduct of orderly and fair trading;

(*h*) the conduct of securities trading by stockbrokers and dealers and the manner in which information relating to trading transactions is to be maintained and reported to other members of the stock exchange and customers;

(*i*) segregation of customer funds from members' business accounts ;

(*j*) segregation of customers' securities from members' securities, if any;

(*k*) settlement of disputes and provision for appeal to the Registrar by members, investors and listed companies;

(*l*) proper safe keeping of securities in its custody;

(*m*) carrying out of the business of the stock exchange with due regard to interests of the investing public;

(*n*) admission to membership of a stock exchange of full members or associate members;

(*o*) registration with the stock exchange of full members, associate members, their representatives, authorized clerks and dealers;

(*p*) conduct of full members, associate members, and representatives, and authorized clerks;

(*q*) responsibility of full members or associate members for the actions of employees and agents in their dealings with the public; and

(*r*) the listing of medium and large sized companies in the respective market segments.

PART IV—REPORTING OBLIGATIONS

Rules of a stock exchange

16.—(1) A stock exchange shall, within four months after the end of each financial year, make available for public inspection on the website of the stock exchange, a summary of information on companies listed on the stock exchange.

(2) The information referred to in subparagraph (1) shall include the—

(*a*) published accounts of companies listed on such stock exchange including financial positions and income statements;

(*b*) date of incorporation, date of listing, names of directors, share capital, number and value of shares issued, and any changes in the share capital of companies listed on the stock exchange;

(*c*) details of securities transacted and the prices specified as high, low and mid-market, at which such securities have been transacted during the year; and

(*d*) earnings per share, dividend per share, shareholding structure classifying institutional, individual and foreign investors, principal or controlling shareholders and total number of shareholders.

(3) A stock exchange shall maintain information in both print and electronic form, with regard to each company listed at the stock exchange and such information shall include the—

(*a*) name of the issuer and date of incorporation;

(*b*) date of listing;

(*c*) names of directors;

(*d*) principal or controlling shareholders;

(*e*) total number of shareholders;

(*f*) authorized and paid-up share capital;

(*g*) changes in authorized or paid-up share capital;

(*h*) core and auxiliary line of business;

(*i*) financial position and income statements for the last five years;

(*j*) volume and price movements indicating highest and lowest prices, of the listed security; and

(*k*) earnings per share and dividend per share.

(4) A stock exchange shall, by 31st March in each year, furnish the Registrar with a report of its activities during the preceding calendar year and such report shall contain information on—

(*a*) changes in its rules if any;

(*b*) changes in the membership of its board of directors;

(*c*) composition and mandates of all the committees set up and changes, if any, in the membership of its existing ones;

(*d*) admissions, suspensions of members or revocations of membership of its members;

(*e*) disciplinary action against members;

(*f*) settlement of disputes;

(*g*) securities listed, suspended or de-listed;

(*h*) market turnover and capitalization per sector, and market segment;

(*i*) implementation of corporate governance initiatives in place;

(*j*) investor education initiatives;

(*k*) risk mitigation, operations and related matters of the exchange;

(*l*) a review of the operations of the stock exchange in the preceding year including challenges faced; and

(*m*) any other matters that the Registrar may request.

(5) A stock exchange shall submit to the Registrar, through electronic means, and make public through its website and a newspaper of wide

circulation, a daily report on the securities transacted, the price movements on each security including low, high and average prices, and the volume of transactions in each security.

(6) A stock exchange shall furnish the Registrar, within thirty days after the end of each quarter, a report of all securities transactions for each day, including private transactions, the value of each transaction, names of the parties for each private transaction and the holders of notable interest disclosed to the stock exchange.

(7) A financial statement of a stock exchange shall include the disclosures prescribed in the Fourth Schedule hereto.

(8) The annual accounts of a stock exchange shall be audited by an independent auditor appointed by the board of directors of the stock exchange, with the consent of the Registrar and such auditor shall not be removed without the approval of the Registrar;

(9) A stock exchange shall furnish the Registrar with all documents and notices that it issues to shareholders in connection with the annual general meetings within ten days prior to the date of such meetings.

(10) All communication of information to investors shall be by way of publication of that information in at least two daily newspapers of nationwide circulation and announcements on a radio station of nationwide coverage.

(11) A stock exchange shall immediately report to the Registrar, by telephone and in writing, whenever—

(i) there is a delay in the opening or closing of the stock exchange;

(ii) there is a default on settlement and delivery;

(iii) trading is to be suspended in any security;

Act No. 20 of 2010

(iv) there are incidences of violation of the Act, Securities Act or the stock exchange rules;

(v) there is unusual trading activity in the market;

(vi) the stock exchange receives any non-public information that it believes could, if not disclosed, have a material effect on the price at which securities are traded in general or on any specific securities; and

(vii) the Registrar requests for any information.

Inspection reports

17.—(1) A stock exchange shall conduct inspections of its members and produce inspection reports.

(2) The inspection reports in subparagraph (1) shall be submitted to the Registrar within seven days (7)of completion of the inspections.

PART IV—ENFORCEMENT

Monetary penalties

18.—(1) The Registrar shall impose the following monetary penalties for violations of this Directive—

(*a*) failure to submit any report by the due date, a penalty of twenty thousand Kwacha (K20,000) and ten thousand Kwacha (K10,000) thereafter for each subsequent day that a licensed stock exchange remains in default;

(*b*) failure to submit an annual audited accounts and auditor's report by the due date, a penalty of one hundred thousand Kwacha (K100,000) and ten thousand Kwacha (K10,000) thereafter for each subsequent day that a licensed stock exchange remains in default.

(2) A licensed stock exchange which fails to meet other requirements of this Directive shall be liable to a penalty of up to ten million Kwacha (K10,000,000).

(3) For natural persons who are members of the board of directors or management, a penalty of up to one million Kwacha (K1,000,00).

(4) The penalty in subparagraph (1) shall be paid through a bank certified cheque payable to the Reserve Bank within ten (10) working days after being notified of the violation.

19. In addition to the monetary penalties imposed in paragraph 18, the Registrar may impose directions and administrative penalties as provided for under the Act and the Securities Act. Administrative penalties Act No. 20 of 2010

FIRST SCHEDULE (para. 4(2))

APPLICATION FORM FOR A STOCK EXCHANGE LICENCE

All questions must be answered fully.

Application is hereby made for the grant of a Stock Exchange Licence and the following statements are made in respect thereof—

1. ....., of the ..... , being specifically authorized thereto by the Board of Directors of the applicant, apply on behalf of the applicant for the issue of a Stock Exchange Licence—

2. The prescribed application fee of K500,000.00 is enclosed.

3. The place at which the business of the applicant will be carried on is .....

.....

4. In the event of application being accepted, the applicant agrees to abide by the provisions of the Act and the Securities Act 2010, and all the directives applicable to the applicant made under these Acts.

5. I confirm that the information supplied in the annexure to this form is correct.

Signed at ..... on this .....day of ..... 20.....

.....

Signature

Witnesses:

1.....

2.....

ANNEXURE

1. Name of applicant—

2. Provide the following administrative information—

   (*a*) the postal, physical and electronic mail addresses of the applicant's head office at which it will receive all documents for the purpose of this application;

   (*b*) the telephone and fax numbers of the applicant and the Chief Executive Officer;

   (*c*) a list which reflects the full names, addresses and telephone numbers of persons, if any, who alone or with associates, will exercise control over the applicant;

   (*d*) a list which reflects the full names of the members of the controlling body of the applicant, and a statement signed by each member to the effect that he knows of no reason why he should not serve his term of office as a member of the controlling body; and

   (*e*) a list which reflects the names, physical and postal addresses, telephone and fax numbers of the applicant's—

      (i) bank and branch; and

      (ii) auditors.

3. Provide a copy of the Memorandum and Articles of Association of the applicant.

4. Provide the following in support of adequacy of financial resources—

   (*a*) where the applicant has been in existence for more than a year, a copy of its audited annual financial statements as at its latest financial year-end;

   (*b*) a copy of the projected income statement, financial position and statement of cash flow for a three year period from the date of the latest financial statements;

   (*c*) a statement signed by the representative of the applicant specifying the critical assumptions made in the preparation of budgets and the sources from which the applicant will derive its funding

   (*d*) a schedule illustrating the funding provisions for anticipated supervisory responsibilities over financial year; and

   (*e*) where arrangements have been made for the funding of any temporary shortfall in available cash resources, a statement provided by the party or parties concerned, setting out the extent and terms of their funding commitment.

5. Provide the following in support of adequacy of management and human resources—

   (*a*) an explanation of the management structure of the applicant including the names of the individuals responsible for the major functional areas and the number of personnel employed in each functional area; and

   (*b*) Curriculum Vitae in respect of each member of the management of the applicant who is responsible for a major functional area, which indicates his education or professional qualifications and relevant work experience.

6. Provide the business plan of the applicant, which has been approved by the controlling body and which at least outlines the following matters—

   (*a*) the planned development of the information technology systems and infrastructure of the applicant and arrangements for their supply, management, maintenance,

upgrading and security;

(*b*) the planned approach to qualifying, quantifying and managing risk within the applicant;

(*c*) the surveillance procedures, which have been established to ensure the compliance by authorized users or participants with the proposed rules of the self-regulatory organisation and the requirements of the Act and the Securities Act, 2010 and the resources of the applicant available to perform this function;

(*d*) procedures to be followed to effectively discipline authorized users or participants of the applicant who fail to comply with the rules of the self-regulatory organisation or the requirements of the Act and Securities Act, 2010;

(*e*) security procedures to ensure the integrity of the surveillance and trading systems for recording transactions and the maintenance of records, the capacity of these systems in relation to the budgeted number of transactions and the back-up resources available in the event of a systems failure;

(*f*) the approach for the management of trade and settlement risks;

(*g*) the corporate governance principles that will be implemented;

(*h*) whether any unregulated business will be carried on by the applicant; and

(*i*) whether or not it is intended to list the securities of the applicant.

7. Provide the following details of compensation funds the self-regulatory organization—

(*a*) details of insurance or other warranty, such as a compensation or guarantee fund, to provide compensation to clients of authorized users or participants of the self-regulatory organization; and

(*b*) in respect of compensation funds, a copy of the pro forma policy document, the manner of funding and the rules of the fund, where applicable.

8. Provide a copy of the proposed rules of the applicant, approved by the controlling body of the applicant.

9. Provide a copy of the proposed listing requirements of the applicant, approved by the controlling body of the applicant.

10. The name of a licensed clearing house or clearing house to be licensed appointed by the stock exchange to provide clearing house services to the stock exchange, where applicable.

11. Provide details pertaining to the settlement, custody and administration services to be provided to the exchange.

12. Provide details pertaining to the trading method or facility by means of which the business of the stock exchange will be carried on.

13. Provide details on the range of securities proposed to be listed on the stock exchange.

14. Provide details on the range of investors, both local and foreign, expected to invest through the stock exchange.

15. Provide details on the benefits to such investors of investing through the stock exchange.

16. Provide details on the extent and manner of publication of prices of listed securities.

17. Provide the following information required in respect of members of controlling body of stock exchange—

(i) a Curriculum Vitae in respect of each member of the controlling body indicating the nature and extent of the member's qualifications and experience in the business operated by the applicant and the names of three referees;

(ii) whether the member has ever been convicted of a criminal offence resulting from dishonesty, fraud, embezzlement;

(iii) whether the member has been found to be in breach of the rules of any professional organization, including a financial institution or other regulated person;

(iv) whether the member has ever been involved in an entity that was placed under judicial management or in liquidation;

(v) whether the estate of a member has ever been sequestrated, and the date of rehabilitation, if any;

(vi) whether the member has ever been barred from entry into any profession or occupation; in respect of (ii) to (iv) above, an indication if proceedings are pending; and

(vii) full details of any fact which may have an impact on the evaluation by the Registrar of the good character and integrity of a member of the controlling body.

All enquiries concerning the preparation and filing of this application should be made to The Director, Micro-Finance and Capital Markets Supervision, Reserve Bank of Malawi, P.O. Box 565, Blantyre.

Upon completion the application and all other attachments must be submitted to The Director, Micro-Finance and Capital Markets Supervision, Reserve Bank of Malawi, P.O Box 565, Blantyre, Malawi.

SECOND SCHEDULE (para. 8(2))

LICENCE FORMAT

REGISTRAR OF FINANCIAL INSTITUTIONS

FINANCIAL SERVICES ACT 2010

STOCK EXCHANGE LICENCE

A LICENCE is hereby granted to.....of.....to operate a stock exchange. This licence is issued subject to the provisions of the Financial Services Act 2010 and is valid for a period of five years from.....to.....

ISSUED THIS..... DAY OF 20

.....

REGISTRAR OF FINANCIAL INSTITUTIONS

THIRD SCHEDULE (para. 9(1)(*a*))

APPLICATION FORM FOR RENEWAL OF A STOCK EXCHANGE LICENSE UNDER PART III OF THE FINANCIAL SERVICES ACT, 2010

1. I ....., the Chief Executive Officer of the ..... (hereinafter referred to as the applicant), being specifically authorized thereto by the controlling body of the applicant, apply on behalf of the applicant for the issue of a Stock Exchange Licence .

2. The prescribed application fee of K250,000.00 is enclosed.

3. The place at which the business of the applicant will be carried on is .....

Signed at ..... on this .....day of ..... 20.....

.....
Chief Executive Officer

Witnesses:

.....

Director

.....

Director

Please provide the following information—

1. Acopy of the latest audited annual financial statements of the applicant.

2. A copy of the latest annual budget of the applicant approved by the controlling body.

3. A copy of the latest strategic planning document, which has been approved by the controlling body, dealing with financial resource adequacy, human resource adequacy, business continuity planning, disaster recovery, market development strategies and any other matter considered to be of strategic importance to the controlling body of the applicant.

4. A management discussion and analysis report, signed by the Chief Executive Officer, addressing the material changes that have occurred in the information previously submitted in terms of the First Schedule or Second Schedule, for previous licence renewals, as pertaining to the previous licence period.

5. A management discussion and analysis report, signed by the Chief Executive Officer, addressing the progress made in complying with any conditions laid down by the Registrar in respect of the previous licence.

6. A report from the auditor of the applicant to the effect that adequate systems and procedures are in operation relating to risk reduction, particularly by means of processing, physical, logical security, backup and contingency controls.

7. A statement, signed by the Chief Executive Officer, confirming that during the year preceding the date of the application for renewal—

(*a*) the rules of the applicant were properly enforced and if some rules were not enforced, the reasons therefor must be given;

(*b*) the applicant at all times complied with the Act, and Securities Act as well as the applicable conditions of the previous licence; and

(*c*) the applicant complied with all directions, requests, conditions or requirements of the Registrar.

All enquiries concerning the preparation and filing of this application should be made to The Director, Microfinance and Capital Markets Supervision, Reserve Bank of Malawi, P.O Box 565, Blantyre.

Upon completion the application and all other attachments must be submitted to The Director, Microfinance and Capital Markets Supervision, Reserve Bank of Malawi, P O Box 565, Blantyre, Malawi.

FOURTH SCHEDULE (para. 16(7))

DISCLOSURE TO BE MADE IN THE FINANCIAL STATEMENTS OF STOCK EXCHANGE

Financial statements of a stock exchange shall be prepared in accordance with international accounting standards

1. The following shall be disclosed in the income statement—
   (*a*) income—
      (i) listing fees;
      (ii) transaction fees;
      (iii) finance income; and
      (iv) other income (specify); and
   (*b*) expenditure—
      (i) personnel costs including separate disclosure of consolidated pay, pension and gratuity;
      (ii) staff training;
      (iii) rent and maintenance;
      (iv) investor education;
      (v) directors' fees;
      (vi) annual fees payable to the Registrar;
      (vii) committee members' expenses;
      (viii) audit fees;
      (ix) depreciation of assets;
      (x) general administrative expenses;
      (xi) legal and professional expenses; and
      (xii) others expenditure (specify).
2. The following shall be disclosed in the financial position—
   (*a*) property, plant and equipmen;
   (*b*) motor vehicles;
   (*c*) goodwill;