



## **CUSTODIANS OF SECURITIES LICENSING PROCEDURE**

An applicant seeking to be licensed as a Custodian of Securities must be a bank or a financial institution within the meaning of the Banking and Financial Institutions Act. The applicant must fulfill the capital requirement, which is the amount required as core capital for commercial bank under the Banking and Financial Institutions Act.

The applicant must have necessary infrastructure, including adequate office space, vaults for safe custody of securities and computer systems (custodial software) required to effectively discharge activities as custodian of securities.

The applicant must have adequate and competent employees who have the experience, capacity and ability of managing the business of the custodian of securities.

The applicant must have prepared a complete operations manual, setting out the following:

1. The systems and procedures to be followed by him for the effective and efficient discharge of custodian services and the arm's length relationships to be maintained with the other businesses, if any
2. A standard client's contract which describes specific matters concerning the duties and obligations of the custodian, which are related to the management of dividends and interest collection services and other rights, corporate actions, transfers of ownership, delivery or receiving of certificates, reporting and other services and a description of fees and taxes levied upon the services;
3. A fee structure including but not limited to registration fee, effecting share splits or consolidations, property deposits, transaction settlement and other services;
4. The custodian's security program such as catastrophe prevention, insurance, internal control system, and layout of the space which supports the custodian's operational services; and
5. Compensation for losses caused by the custodian's negligence.
6. The applicant must have in place the anti-money laundering manual;
7. The applicant must have not been refused a registration by the authority or whose certificate has not been revoked by the authority;
8. The applicant's directors, principal officers or employees must not be involved in any litigation connected with the securities market;
9. The applicant's directors, principal officers or employees must have not, at any time, been convicted of any offence involving moral turpitude, criminal or any economic offence;
10. The applicant's directors must be fit and proper persons (i.e. Persons who present the likelihood of being in a position to discharge the custodian services in competent, honest and proper manner in the best interest of clients).

### **FEE STRUCTURE**

#### **CSD Member –Custodian fees in TZS**

Application fees not refundable	2,500,000.00
Admission fees	5,000,000.00
Annual fees	5,000,000.00
Replacement of license	250,000.00