

Process of investing in shares

The first step to buying shares is approaching a licensed Stockbroker. Stockbrokers are licensed agents given authorisation to buy and sell shares on your behalf as an investor. Over and above facilitating the transaction (buying or selling) of shares, Brokers also provide financial advice on which stock to buy or sell. All Brokers are required to meet certain standards such as acquiring appropriate qualification, experience and must comply with the ESE Member Rules.

The two (2) licensed ESE Brokers are:

1. African Alliance Eswatini Securities Ltd:
+268) 2406 6000
securities@africanalliance.sz
2. AlphSZ Securities Ltd: (+268) 2404
1338/ info@alphsz.com

Kindly note the ESE operates the securities market, therefore one cannot purchase or sell shares directly through the ESE.

Before any order can be taken by the Broker, the investor has to open an account with a Broker through which the orders will be taken. A CSD account will also be opened. A CSD account is an account in which the investors shares will be held or secured and from which statements showing the holdings will be sent to the investor. Once a trading account and a CSD account have been opened, you can now place your order and buy/sell shares.

When the Broker receives an order, it is relayed to the ESE to be executed in a system that collects orders from several other Brokers and matches them. The system is known as the Automated Trading System (ATS). It is the Broker who does the actual buying and selling of shares on your behalf using the ATS.

Once the order has been executed, the Broker will confirm the trade to the client by sending a contract note that shows the name of the company in which shares have been bought, the number of shares, the price at which the shares were bought, and the charges incurred in the transaction. Three (3) days after the trade has been executed, the shares will be credited in your CSD account and from that date on, you will become a shareholder of the company in which you have bought the shares.

When you want to sell the shares, a similar process is followed. Brokers may be contacted by mail, telephone or personal visits. Note that the broker may require you pay first and produce proof of payment (confirmation of funds) before placing an order to buy shares.

To comply with KYC guidelines, you will require the following documents to open a CSD account as an individual:

1. Certified Copy of ID/Valid Passport
2. Proof of Residence (Utility Bill/Lease Agreement/Affidavit)
3. Proof of Income (Payslip and/or Bank Statement)

To comply with KYC guidelines, you will require the following documents to open a CSD account as a company/corporate body:

1. Copy of Certificate of Incorporation & Copies of ID/Passport of the Directors
2. Proof of Address (Utility Bill/Lease Agreement)
3. Proof of Income (Bank Statement)
4. Constitution or Resolution/Letter of Consent from the Board of Directors.

Kindly note that there is no set minimum amount that one should put aside for buying shares or any listed security. Share prices differ from one company to the next. You may go the ESE website or check the ESE End of Day (EOD) File, which shows how the shares of different companies traded that day and the prices in which they closed in. The total amount you can spend in buying shares is solely dependent on the share price of a particular company and the amount of shares you would like to purchase.

For more information on investing in shares, please contact the Market Development Department via e-mail on info@ese.co.sz.

Website: www.ese.co.sz

Email: info@ese.co.sz

Telephone: 2406 8243