

LISTING A COMPANY ON THE ESWATINI STOCK EXCHANGE

HOW A COMPANY CAN LIST ON THE ESWATINI STOCK EXCHANGE

LISTING on a stock exchange is one of the most significant strategic decisions a company can make. It transforms a business from a privately controlled entity into one that is publicly owned, regulated, and accountable to a wide range of stakeholders. In Eswatini, the Eswatini Stock Exchange (ESE) provides companies with an opportunity to raise capital, enhance corporate credibility, and contribute to the development of the country's financial markets.

This article provides a comprehensive, step-by-step explanation of how a company can list on the Eswatini Stock Exchange, covering listing routes, eligibility criteria, regulatory requirements, costs, timelines, and post-listing obligations.



UNDERSTANDING THE ESWATINI STOCK EXCHANGE

The Eswatini Stock Exchange is the only licensed securities exchange in the Kingdom of Eswatini. It operates under the supervision of the Financial Services Regulatory Authority

(FSRA) and is governed by the **ESE Listings Requirements**, the **Companies Act**, and other relevant financial legislation.

The ESE, based in Mbabane, is Eswatini's principal capital market venue. Since its incorporation in 2003 and rebranding from the Swaziland Stock Exchange in 2019, the bourse

has facilitated trading in equities and debt instruments.

Listing on the ESE signals market confidence and opens the business to local and potentially to international investors willing to participate in Eswatini's growing capital market.



1 Decide Your Listing Route

Companies can list on the ESE through several methods, each tailored to different corporate objectives:



• Initial Public Offering (IPO)

This is the traditional route: the business issues new shares to the public for the first time. It involves converting a private limited company into a public limited company (Plc), complying with statutory requirements, and selling shares to investors through a licensed broker.

• Offer for Sale

Here existing shareholders sell a portion of their holdings to the public. Unlike an IPO, the company does not receive fresh capital. It's commonly used to adjust ownership structures while meeting public float requirements.

• Offer for Subscription

The company issues and sells new shares — a traditional way of raising equity funding for expansion.

• Placing or Private Placement

Shares are offered to select institutional or high-net-worth investors. This isn't a public offer but helps secure strategic investment while still becoming a listed entity.

5 Submit Application and Documentation

The sponsoring broker helps compile and submit all required documents to the ESE Market Committee (in charge of reviewing Corporate Action such as listing on the ESE), including:

- Detailed financial statements
- Prospectus or listing application
- Statutory Documents
- Corporate structure and governance reports
- Declaration of compliance with listing rules



The exchange reviews these thoroughly to ensure compliance before granting approval.

2 Meet the Listing Requirements

Before applying for listing, companies must ensure they meet specific criteria defined in the **ESE Listings Requirements**. These cover corporate structure, governance, financials, and shareholder base.

Key Requirements (Equity Listings) For the Main Board:

- Minimum subscribed capital in issue and available for trading.
- Three years of audited profit history.
- At least 20% free float (shares available to the public).
- Minimum number of public shareholders (typically at least 20).

For the SME/Alternative Board:

- Lower thresholds, such as a minimum subscribed capital of E5 million.
- Shorter or no audited profit history required.
- A smaller free float (typically 5%).
- Fewer public shareholders (often at least 10).

Other general expectations include fully paid and freely transferable securities, along with compliance with the **Companies Act** and ESE's rules.



3 Appoint a Sponsoring Broker and Advisors

Listing applications must be submitted through a **Sponsoring Broker** — a licensed broker on the ESE. This broker becomes the company's main liaison with the exchange, guiding the application process and assisting with compliance documentation.

Licensed Stockbrokers:

- African Alliance Eswatini Securities Limited
- 268 Securities Limited
- AlphSZ Securities Limited

- Corporate finance professionals
- Lawyers
- Transfer Secretaries

These specialists help prepare accurate financials, compliance reports, and prospectuses that investors will assess.

Other essential advisors include:

- Auditors



6 Continuing (Post-Listing) Obligations

Once listed, companies must maintain **ongoing disclosure and corporate governance standards**:

- Announcing price-sensitive information promptly.
- Publishing interim and audited annual financial reports.
- Holding Annual General Meetings (AGMs).
- Making cautionary announcements as necessary.

These obligations help preserve market integrity and investor confidence.



4 Prepare Your Company Internally

Before submitting a listing application, companies should ensure strong internal foundations:

Governance

- A well-structured board with independent directors.
- Clear corporate governance policies.

Financials

- Auditing: At least three years of audited accounts (for main board applicants).

- Financial systems that meet international or widely accepted standards (IFRS).

Valuation

- Consider engaging an independent valuer to determine the company's intrinsic value, informing the IPO price or valuation for an introduction listing.



7 Pay Listing and Annual Fees

There are fees associated with listing and ongoing maintenance on the ESE, including:

- Original listing fees (based on market value and board level).
- Annual sustaining fees.
- Documentation and sponsor fees.

Benefits of Listing on the ESE

Listing on the Eswatini Stock Exchange can:

- Provide access to **long-term, low-cost capital**.
- Enhance corporate credibility and public profile.
- Improve liquidity for existing shareholders.
- Provide easy exit for family-owned companies.

- Provide access to a large pool of capital and investors (Institutional and Retail Investors).
- Support growth and expansion plans.

With proper planning, governance, and professional support, listing on the ESE can be an achievable and rewarding strategic step for ambitious businesses in Eswatini.

