

ISB Securities (Pvt) Ltd and Geoff Senzo Mhlanga AND Securities Commission of Zimbabwe and the Chief Executive Officer Zimbabwe Stock Exchange H.C.5769/09

The Commission suspended ISB (the firm) and Mr. Mhlanga(the stockbroker/ securities dealer) from carrying out all licensable activities, in terms of Section 49(1) (a) of the Securities Act (Chapter 24:25).

This action was taken in order to institute investigations into the conduct of the licensed persons on the management of trust accounts, as dictated by Sections 50 and 51 of the Act.

The licensed persons had not complied with the requirement to submit returns to SECZ. They had also refused entry to appointed inspectors in terms of Section 101, on the 2nd November 2009. In similar vein they further refused entry to appointed auditors in terms of Section 51(2) on the 4th November 2009. When S.I. 66/2009 ,the clear legal basis for charging the IPF levy was published with errors, the licensed persons pointed to the deficiencies as the reason that they could not comply.

On being suspended however with effect from the 6th November 2009, the licensed persons continued to trade for a further period of two weeks, with the collusion of the ZSE. The gist of contestation by the licensed persons was that the investor protection levy was not sanctioned by law.

The SECZ then instructed the transfer secretaries and custodians on the 13th November, to stop processing the suspended persons' deals, after 6th November.

The licensed persons had paid the SEC levy in the amount of\$ 4071.19 on the 10th November without submitting the correct returns. On the 16th November they paid the Investor Protection Levy in the amount of \$32 865.07 and only delivered the requisite returns on the 19th , the same day the filed an urgent court application seeking an interim order allowing them to engage in licensable activities as well as access to the ZSE. They sought a final order nullifying SECZ's suspension.

SECZ then uplifted the suspension on the 24th November, recognizing the substantial compliance by the licensed persons. It also vigorously contested the suit and filed its Heads of Argument on the 15th January 2010.

It is apparent that the Applicants abandoned this case as they have not taken any steps to prosecute it to finality.