

**Phibion Gwatidzo N.O. AND 3 Others & Securities Commission of Zimbabwe
S.C. 302/13(ref S.C 297/13 & H.C. 6261/13)**

Phibion Gwatidzo, in his capacity as the liquidator of Renaissance Securities (Pvt) Ltd filed an urgent application in the High Court, for an interim order that he be allowed to sell and register the alleged shares of the company, without SECZ's approval. The final Order sought was on similar terms; that SECZ's Directive barring them from selling or registering the shares of the company be declared unlawful, void and of no force.

The dispute was that the liquidator had sold and sought to transfer shares in the Renaissance Securities nominee account, for the benefit of the company in liquidation. He argued that since the shares remained unclaimed after he advised shareholders/ investors through a public notice to come forward and do so, there was no further proof of ownership required on his part. SECZ on the other hand had issued a Directive to all securities dealers not to trade shares in nominee accounts. Nominee accounts are trust accounts, for the holding of client assets so there was need for strong proof that the company's assets formed part of the account. Mr. Gwatidzo had somehow convinced two securities dealing firms that SECZ had approved the sale of the nominee shares, a position that was not correct.

It was at the point of transferring / registering the shares into the names of the new owners that the transfer secretaries notified SECZ. SECZ directed that the shares be not transferred and the deals be reversed.

Mr. Gwatidzo's High Court application was dismissed for lack of urgency, without going into the merits. He appealed to the Supreme Court that agreed that the matter was urgent and ordered the High Court to hear it on that basis. The High Court subsequently heard the matter on the merits and on the 11th November 2013 handed down judgment in Gwatidzo's favour. SECZ immediately filed an appeal with the Supreme Court and awaits a set down date for the matter to be heard.