

**Remo Investments Brokers, Mohamed Iqbal Mahmed, Rezana Ebrahim and John Motsi AND Securities Commission of Zimbabwe S.C. 13/13 (ref: MISC 6/12).**

On the 7<sup>th</sup> June 2012 SECZ found Remo investments Brokers and Mohamed Iqbal Mahmed guilty of contravening a number of provisions of the Securities Act (Chapter 24:25). The crux of the charges was that the firm and the principal broker were engaged in non permissible activities in the money market. The firm borrowed funds from another securities dealing firm, Interfin Securities, for on lending to third parties, thus deviating from its licensed business of securities dealing firm.

Remo Investments licence was cancelled for five years for contravening the following provisions-

- Section 42(1) as read with Section 2,
- Section 50(1)
- Section 51(1) and
- Section 41(2) (c) (ii).

The principal securities dealer was found to be unfit and improper to remain in that position, as he had demonstrably failed the fit and proper test, set out in Section 41 (2) . Mohamed Mahmed's securities dealer's licence was similarly cancelled for a period of five years after which he would be eligible to apply for a new licence.

Rezana Ebrahim and John Motsi were ordered to work under the supervision of a senior broker for a period of one year, so that they would be rehabilitated. This was just an administrative direction by SECZ, given the demise of the firm and principal securities dealer. The two were not charged nor convicted of having breached any law.

All four appealed to the Administrative Court against both the convictions and sentences. The matter was heard on the 13<sup>th</sup> November 2012 and the SECZ judgment was upheld.

The four then appealed to the Supreme Court where judgment was reserved on the 27<sup>th</sup> May 2013.