COMPETITION & TARIFF COMMISSION

NOTICE TO THE INVESTING PUBLIC: COMPULSORY NOTIFICATION TO THE COMPETITION AND TARIFF COMMISSION OF ACQUISITIONS OF SHARES MADE THROUGH THE ZIMBABWE STOCK EXCHANGE (ZSE) AND VICTORIA FALLS STOCK EXCHANGE (VFEX)

The Competition and Tariff Commission ("the Commission") has noted increased investor interest in the acquisition of shareholdings in Dairibord Holdings Limited and other listed companies. The Commission therefore wishes to remind the investing public, stockbrokers and corporate advisers that the acquisition of shares through the Zimbabwe Stock Exchange ("ZSE") or the Victoria Falls Stock Exchange ("VFEX") is not exempt from the notification requirements prescribed under the Competition Act [Chapter 14:28] ("the Act").

Any acquisition that confers a controlling interest, where the combined turnover or asset value of the parties meets or exceeds the applicable threshold of USD 1.2 million, must be notified to, and approved by, the Commission prior to implementation. A controlling interest is not determined solely by reference to a fixed shareholding percentage. The Competition Act *[Chapter 14:28]* defines a controlling interest broadly as any interest that enablesns the holder to exercise "any control whatsoever" over an undertaking or asset. The determination of whether an acquisition confers a controlling interest is therefore made on a case-by-case basis, having regard to the specific circumstances of each transaction. Investors are therefore encouraged to engage the Commission whenever there is uncertainty regarding the applicability of the notification requirements, including where acquisitions are made through asset management companies, investment vehicles or other intermediaries.

Implementation of a notifiable acquisition may only proceed after the Commission has granted its approval. Failure to notify a notifiable transaction, or to implement such a transaction prior to obtaining the Commission's approval, may result in the transaction being unwound and the imposition of penalties of up to 10% of the parties' annual turnover**.** Investors, stockbrokers, corporate advisers and other relevant stakeholders are therefore urged to take note of these requirements and be guided accordingly.

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Issued by the Competition and Tariff Commission.

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