



The African Securities Exchanges Association, The Exchange, 55 Westlands Road, P.O. Box 43633-00100  
(GPO) Nairobi, Kenya, Telephone +254 (020) 2831000, Email [fmkarba@nse.co.ke](mailto:fmkarba@nse.co.ke),  
Website [www.african-exchanges.org](http://www.african-exchanges.org)

## **AFRICAN SECURITIES EXCHANGES ASSOCIATION**

---

## **AFRICAN SECURITIES EXCHANGES ASSOCIATION RULES**

# AFRICAN SECURITIES EXCHANGES ASSOCIATION RULES

## 1. Preamble

- 1.1 The African Securities Exchanges Association is a not for profit private company limited by guarantee duly incorporated in Kenya in 1993.
- 1.2 The Secretariat of the Association is in Nairobi, Kenya.
- 1.3 These Rules do not replace the Memorandum & Articles of Association of ASEA.

## 2. The Role of ASEA

The objectives of the Association are as set out in the Memorandum of Association.

The main objective ASEA is to build the capacity of its members to execute their mandate, through mutual cooperation, exchange of information and promulgation of industry best practice.

## 3. Membership

### 3.1 Types of Membership

#### 3.1.1 Full Member

This Membership is open a recognized, regulated and supervised securities exchange, derivative and commodities exchange operating in Africa.

#### 3.1.2 Associate Member

Associate Memberships is open to entities operating in the capital markets industry in Africa or elsewhere. Any of the following institutions from the financial industry can apply for Membership;

- 3.1.2.1 Clearing Houses;
- 3.1.2.2 Central Depositories;
- 3.1.2.3 Clearing and Settlement Institutions;
- 3.1.2.4 Self Regulatory Organisations in the financial industry;
- 3.1.2.5 Associations of market intermediaries in the financial industry
- 3.1.2.6 Other Exchange Associations

#### 3.1.3 Observer Member

This Membership is open to national and international associations as provided for in the Memorandum and Articles of Association.

### **3.2 Application for Membership**

3.2.1 Application for Membership shall be made to the Executive Committee and addressed to the President.

3.2.2 The application shall be made in the form and manner set out by the Executive Committee.

3.2.3 Application for Membership shall be made by an Exchange which has been in operation for at least a period of one (1) year.

3.2.4 The application for Membership shall be made at the Annual General Meeting and the applicant representative shall be present at the Meeting the application is made.

3.2.5 The Applicant shall pay the prescribed fees of the Association for the category of Membership applied for.

3.2.6 An Applicant shall be admitted upon approval by the Executive Committee.

3.3 The Representative of a Member shall serve on ex-officio basis. In case the official representative of any ASEA Member entity ceases to hold the position with his/her entity , the representative at ASEA against any elected office shall involuntarily be acquired by the incoming person performing at the same position. The incoming person after formally being nominated by the Member Exchange must formally accept this responsibility on behalf of the Member Exchange.

3.4 A Member shall only be represented at the Annual General Meeting by the President, Chairman, Chief Executive, Managing Director, Vice President, Deputy Managing Director, General Manager, Director or senior management team of an Exchange.

### **3.5 Rights of Full Membership**

3.5.1 To send Representatives to the Annual General Meeting.

3.5.2 To vote at the Association's Annual General Meeting or Extra Ordinary General Meeting.

- 3.5.3 To nominate and elect the members of the Executive Committee.
- 3.5.4 To propose and vote on amendments to the Memorandum and Articles of Association and the Rules.
- 3.5.5 To send representatives to the Annual Conferences and any other forums sponsored by ASEA from time to time.
- 3.5.6 To have their information disseminated on the ASEA Website and in the ASEA Yearbook.
- 3.5.7 To participate in any ASEA marketing initiatives.

### **3.6 Rights of Associate Membership**

- 3.6.1 To send representatives to the Annual Conferences and any other forums sponsored by ASEA from time to time.
- 3.6.2 To have a link to their website and their logo displayed on the ASEA Website and in the ASEA Yearbook.
- 3.6.3 To have their information disseminated on the ASEA Website and in the ASEA Yearbook.
- 3.6.4 To participate in any ASEA marketing initiatives.

### **3.7 Rights of Observer**

- 3.7.1 To send representatives to the Annual Conferences and any other forums sponsored by ASEA from time to time.
- 3.7.2 To have a link to their website and their logo displayed on the ASEA Website and in the ASEA Yearbook.
- 3.7.3 To participate in any ASEA marketing initiatives.

### **3.8 Obligations of Membership**

- 3.8.1 To make full payments of membership dues to the Association.
- 3.8.2 To abide by the Association's Memorandum & Articles of Association.
- 3.8.3 To abide by the Association's Rules and Bye-laws.
- 3.8.4 To provide information to the Association as and when requested.

3.8.5 To participate in the Association's marketing and other initiatives and activities as and when requested.

3.8.6 To update the ASEA Website with statistics.

3.8.7 To provide information for inclusion in ASEA publications.

### **3.9 Termination and or suspension from the Membership**

3.9.1 Membership may be terminated or suspended from the Association on the following grounds:

3.9.1.1 If the entity is no longer in compliance with the regulatory authorities in the jurisdictions in which it operates.

3.9.1.2 Failure to remit financial contributions to the Association for a period exceeding two years.

3.9.2 The Executive Committee can vote to terminate or suspend Membership by a two-thirds (2/3) vote of the Membership present.

3.9.3 Any entity whose Membership is suspended or terminated or voluntarily withdraws shall have no claims to the assets of the Association.

### **3.10 Voluntary withdrawal**

3.10.1 The application shall be made in the manner laid out in the Articles of Association.

3.10.2 All the financial obligations accruing to the entity making the application shall be paid to the Association.

## **4. Annual General Meeting**

ASEA shall hold an Annual General Meeting every once a year in accordance with the Articles of Association.

### **4.1 Procedure for calling an AGM**

4.1.1 The Secretary shall send out the notice and agenda for the meeting at least twenty one (21) days before the date of the meeting.

- 4.1.2 The Agenda and Notice shall be circulated by the Secretary by electronic/telefax transmission and a read receipt shall be confirmation of delivery.
- 4.2 The Annual General Meeting shall be presided by the President or in his/her absence the Vice-President.
- 4.3 All Members shall have one vote at the Meeting.

## **5. The Executive Committee**

### **5.1 Membership to the Executive Committee**

- 5.1.1 The Executive Committee shall consist of Eight (8) Members as laid out in the Articles of Association.
- 5.1.2 Members of the Executive Committee shall be elected in accordance with the Articles of Association.
- 5.1.3 Representation to the Committee shall be restricted by Rule 3.4.
- 5.1.4 Each member of the Executive Committee may subject to Rule 3.4 name an alternate, subject to the approval of the President, to attend a meeting of the Executive Committee in his/her absence

### **5.2 Qualifications for appointment to the Executive Committee**

- 5.2.1 The following shall be the criteria used in selection of the Executive Committee.
  - 5.2.1.1 Nominating Member shall be in good standing with the Association. Good standing for the purposes of this Rules means that all the financial contributions and obligations accruing to the Association shall have been met before the nomination.
  - 5.2.1.2 Nominated and nominating Member actively supports the activities of the Association.

### **5.3 Role and powers of the Executive Committee**

- 5.3.1 The Executive Committee shall give strategic direction to the Association.
- 5.3.2 Convene the Annual General Meetings, Extra Ordinary General Meetings and any other meeting of the Association.

- 5.3.3 Develop policies for the Association.
- 5.3.4 Create Working Committees of the Executive Committee, chaired by a Member of the Executive Committee.
- 5.3.5 Establish projects and work plans for the Secretariat and Working Committees.
- 5.3.6 Promulgate terms of reference for the Working Committees.
- 5.3.7 Expel or suspend a Member under Rule 3.8.

#### **5.4 Meetings**

- 5.4.1 The Executive Committee shall meet as and when deemed essential to transact its business. However, it may also convene its meetings, conduct its business and perform its functions through electronic communications/VOIP.
- 5.4.2 The President shall convene a meeting of the Executive Committee.
- 5.4.3 The Executive Committee shall in any case meet at least two (2) times a year.

#### **5.5 The President and Vice President**

- 5.5.1 The President and Vice President shall be appointed in accordance with the Articles of Association.
- 5.5.2 The President shall preside over the Annual General Meeting and the meetings of the Executive Committee.
- 5.5.3 The President and Vice President shall serve for a term of two (2) years in compliance with the Articles of Association.
- 5.5.4 In the case of absence or incapacity of the President, the Vice President shall assume the functions of the President. In the absence of both the President and Vice President, the senior functioning member of the Executive Committee as determined by the Executive Committee shall take the chair at meetings.
- 5.5.5 A casual vacancy in the office of the President or Vice President shall be filled by a simple majority of Members in the Executive Committee.

## **6. Disqualification/Vacancies in the Executive Committee**

6.1 A member of the Executive Committee shall be automatically disqualified on the following grounds:-

6.1.1 He/she is no longer an employee/director of the nominating Member. In this case, the vacancy shall be filled by the nominating Member.

6.1.2 If the nominating Member is no longer licensed to operate in the areas of jurisdiction. In this case the Executive Committee shall fill the vacancy and notify the Members in an Annual General Meeting.

6.1.3 If the nominating Member is no longer in good standing with the Association. In this case the Executive Committee shall fill the vacancy and notify the Members in an Annual General Meeting.

6.1.4 He/she does not attend at least three (3) consecutive meetings convened by the Executive Committee. In this case, the vacancy shall be filled by the nominating Member.

## **7. The Secretary**

7.1 The Secretary shall be appointed by the Executive Committee.

7.2 The Executive Committee shall fix the remuneration of the Secretary.

7.3 The Secretary shall:-

7.3.1 Send notices and agenda of Annual General Meetings, Extra Ordinary General Meetings, Executive Committee Meetings and the Working Committees.

7.3.2 Be the Secretary to the Executive Committee and the Working Committees.

7.3.3 Run the day to day affairs of the ASEA Secretariat.

7.3.4 Appoint in consultation with the President any employee of the ASEA Secretariat.

7.3.5 Engage such consultant, agent or service provider in consultation with the President.



7.3.6 Assist to organize Conferences, Workshops and Seminars for the Association.

7.3.7 Co-ordinate meetings of the Working Committees.

## **8. Working Committees**

8.1 The Working Committees shall:

8.1.1 make proposals for studies and projects to the Executive Committee;

8.1.2 study and report on questions assigned to it by the Members of ASEA and the Executive Committee;

8.1.3 create such subcommittees and ad hoc task forces, subject to approval by the Executive Committee, as are necessary to accomplish the tasks assigned to the Working Committee by the Executive Committee;

8.1.4 Provide for a forum for exchange of information and discussion of topical subjects.

8.2 The Working Committee shall report to the Executive Committee on each of the questions it has studied.

8.3 The Working Committee shall consist of representatives of at least five (5) Members, which will consist of one (1) Member of the Executive Committee and four (4) other Members represented by one (1) delegate at the meetings. These Committee members will serve as the regular liaison officers for current business between the Secretariat and the Member.

8.4 Each Member shall nominate at least one (1) delegate to the Working Committee.

8.5 The Working Committee shall nominate a Chairperson for the Committee who will serve for a term of 2 years renewable once.

8.6 The Working Committee shall be convened by its Chairperson as often as he/she deems it necessary, but at least twice a year.

8.7 The Chairperson of the Working Committee may allow any person to be present at a meeting, if his/her participation is held to be desirable.

8.8 Standing Working Committees

8.8.1 Finance and Strategy

Terms of Reference of the Finance & Strategy Working Committee

- 8.8.1.1 To develop and review the strategy of the Association;
- 8.8.1.2 Lobby international organizations, development partners, embassies, regulators, Governments, Diplomatic missions to assist the Association meet its objectives;
- 8.8.1.3 To review the operational and capital budgets and supplementary changes thereto;
- 8.8.1.4 To review interim financial information;
- 8.8.1.5 To review the year end financial statements; significant accounting and reporting issues; and the audit findings, including any significant suggestions for improvements provided to the Secretariat;
- 8.8.1.6 To monitor, review and make recommendations to the Executive Committee on the process for monitoring compliance with relevant laws and regulations, and, with the Association's legal counsel if appropriate, any legal matters that could have a significant impact on the Association's financial statements.
- 8.8.1.7 Such other activities as maybe delegated by the Executive Committee.

## 8.8.2 Branding, Publicity and Marketing

### Terms of Reference

- 8.8.2.1 To formulate, review & track a marketing, communication & brand strategy for the Association.
- 8.8.2.2 To disseminate information; produce materials in all media, hold conferences, seminars and exhibitions, and conduct other public education activities relevant to the interests of members.
- 8.8.2.3 To advise on the Association's Logos, letterheads and promotional materials.
- 8.8.2.4 To conduct media briefings, workshops, seminars and conferences for the Association.
- 8.8.2.5 To formulate guidelines and standards for the Association's brand.
- 8.8.2.6 To conduct fundraising and marketing activities for the Association's activities.
- 8.8.2.7 To ensure that the views and interests of the Association are promoted in the appropriate worldwide fora;
- 8.8.2.8 To develop and promote a data bank and information system for the mutual benefit of members, including the ASEA website;
- 8.8.2.9 Such other activities as maybe delegated by the Executive Committee.

- 8.9 The Executive Committee may form any other Working Committee as maybe necessary to discharge the role of the Association.

## **9. Financial Contributions**

- 9.1 All Members shall make financial contributions to the Association in every financial year.
- 9.2 Members shall fix the financial contributions for different levels of Membership with consideration to size, market structure and operating environment of the Member.
- 9.3 The fees for the different categories of Membership shall be as prescribed by the Association.
- 9.4 A Member shall not be entitled to vote at an Annual General Meeting if the Member is not in good financial standing.
- 9.5 A Member shall not nominate a person to the Executive Committee of the Association unless the financial contributions for the year have been met.

## **10. Accounts**

- 10.1 The Accounts of the Association shall be prepared in accordance with the International Financial Reporting Standards (IFRS).
- 10.2 The Financial year for the Association runs from July 1<sup>st</sup> to 30<sup>th</sup> June of the following year.
- 10.3 Members shall approve the budget and accounts at the end of every financial year.
- 10.4 The President shall present audited accounts to the Members at an Annual General Meeting.

## **11. Audit**

- 11.1 The accounts of the Association shall be audited by Certified Public Accountants.
- 11.2 The auditors are appointed by the Annual General Meeting on the proposal of the President for a term of one year and may be renewable at the Annual General Meeting.

- 11.3 The Auditor's remuneration will be fixed at the Annual General Meeting.
- 11.4 The auditors shall examine and audit the financial situation and the annual accounts of the Association and the regularity of the operations recorded in its accounts.
- 11.5 They may examine, without removing the books, correspondence, minutes and generally all documents and all company accounts.
- 11.6 The auditors submit to the Members in the Annual General Meeting a detailed written report on the results the financial statements.

## **12. Amendment**

Any amendment to these Rules shall be valid if approved by at least one third (1/3) of the Executive Committee.

## **13. Official Language**

The official language of ASEA is English.

## **14. Effective Date**

These Rules come into force at such a date to be determined by the Executive Committee.

