PRESS RELEASE

BOTSWANA STOCK EXCHANGE DEMUTUALIZES TO BECOME BOTSWANA STOCK EXCHANGE LIMITED

FOR IMMEDIATE RELEASE, 8TH AUGUST, 2018: It is with great honour that we announce the greatest achievement and historic milestone by Botswana Stock Exchange, one that will significantly energize the capital market in Botswana, and the continent at large. As of the 2nd August 2018, Botswana Stock Exchange has fully demutualized following its conversion from a mutual exchange to a company incorporated under and in terms of the Companies Act, being the date of registration of Botswana Stock Exchange Limited (BSE Limited) by the Companies and Intellectual Property Authority (CIPA).

Demutualization is a process of transforming from a member owned, not-for-profit, entity to a for-profit, investor-owned corporation which involves changing the legal status, structure and governance of an entity. In the case of a stock exchange, it is the separation of the ownership of the exchange from the right to trade on the exchange. In the case of the then BSE, the Proprietary Rights of the members of the then BSE, as well as the cash injection by Government of the Republic Botswana, have been converted to shares in BSE Limited.

The demutualization of the BSE began on 1st December 2015, when the BSE Transition Act, No. 2 of 2015 came into operation. The Main Committee comprising of broker representatives and Government representatives, as well as the Minister of Finance and Economic Development, played a strategic role in the entire end to end process of demutualization, along with management.

Commenting on this achievement, Thapelo Tsheole, Chief Executive Officer of the BSE Limited, said ‘Looking at stock exchanges across the world, the pace of stock exchanges’ demutualization has been rapid in developed markets and slower in emerging markets. This demonstrates the difficulty with which this process is accomplished given the diverse interests of the parties involved. On our part, the pace of demutualization has been exceptional and without hurdles, and BSE Limited now joins an elite league of stock exchanges as it is the seventh among twenty-eight stock exchanges in Africa to have undergone demutualization”. He added that, “This demutualization and immediate corporatization of the Exchange brings forth enormous efficiencies that will enable
the bourse to discharge its mandate and drive value for shareholders and stakeholders as we strive to become a world class securities exchange”.

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