



Small and Medium Enterprise Market segment (SMEs)

**The platform for scaling up
Rwandan SMEs and other
corporates**

Take your business to the
NEXT LEVEL

Benefits to SMEs and other corporates



Access to low cost capital for scaling up your company

Rwanda's capital markets through the small and medium enterprise segment (SMEs) provides access to affordable, sustainable and long term financing for growing your company.

Improve your company's corporate governance and efficiency

Companies wishing to be listed on SMEs market work with RSE pool of advisors to streamline their corporate governance structures, accounting practices as well as operational efficiency. The purpose of strengthening corporate governance is meant to ensure that listed companies are fully equipped with knowledge and expertise needed to create strong well-structured companies.

Increase shareholder value

Listing allows shareholders of a company to have more value in comparison to industry and international benchmarks.

Boost your company's image

Listing at RSE enables boosting of profile of your company through publicity of the process.

Strategic growth and investment

Listing allows a company to have access to structured financing options including mergers and acquisitions and structured investments.

Experience lower corporate tax as a listed company

Newly listed companies pay lower corporation taxes depending on percentage of level of shares on offer as follows;

1. Companies with at least 40% of issued capital listed pay 20% of corporate tax.
2. Companies with at least 30% of issued capital listed pay 25% of corporate tax.
3. Companies with at least 20% of issued capital listed pay 28% of corporate tax for 5 years.
4. Companies listed by introduction pay 25% of corporate tax.



SMEMs / Corporate eligibility and capital requirements

Company status

A public company limited by shares and registered under the Law relating to Companies of Rwanda.

Share capital

There is no capital required for a company that wants to offer shares to the Public.

Method of fund raising

The company is to raise capital from the public through an initial public offering (IPO).

Transferability

Shares to be listed shall be freely transferable and not subject to any restrictions on marketability or any pre-emptive rights.

Working capital adequacy

The company shall give an opinion on the adequacy of working capital for at least twelve (12) months immediately following the IPO, and the auditors of the company shall confirm in writing the adequacy of that capital.

Issued shares

The company shall cease to be eligible for issuance of shares upon the expiry of three (3) months after the approval of the offer by the regulatory authorities.

Appointment of an auditor

The company must appoint an independent auditor to carry out the audit of its financial statements.



Company Status



Publishing of a listing statement

The company must submit a listing statement that has been approved by the regulatory authorities. And have it published at least 7 days before the initial public offering is open for subscription.

Corporate governance

Company board of directors

The company must have a minimum of 03 directors
One third of directors should be non- executive.

For at least 2 years prior to date of application, no director should have been declared bankrupt, charged of fraud, criminal offense or financial misconduct.

Competence, stability of directors and management

Directors and senior management should have requisite experience and expertise to run the company

Directors Induction Program (DIP) and Advisors

The directors shall be required to undertake a directors' induction course recognized by the regulatory authorities. The company must appoint an advisor by contract and have one at all times while listed.



Post listing

Retention of qualified management

The issuer shall ensure continued retention of qualified management during listing and no change of management for a period of twelve months following the listing other than for reason of a serious offence that may be considered to affect the integrity or be inappropriate for management of a listed company.

Shareholders lock-in period

The company must ensure that the existing shareholders, associated persons or such other group of controlling shareholders who have influence over management shall give an approval to the regulatory authorities and the Rwanda Stock Exchange restricting the sale of part or the whole of their shareholding before the expiry of a period of twenty four (24) months following listing and such undertaking shall be disclosed in the listing statement.

Central securities depository

All issued shares by the company must be deposited at a central securities depository established under the Law n°26/2010 OF 28/05/2010 Governing the holding and circulation of securities in Rwanda unless exempted under the same laws.



CENTRAL SECURITIES DEPOSITORY

You invest, We Protect



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