

**CO-OP DEBENTURE EXCHANGE (PRIVATE)  
LIMITED (CDEX)  
THE OFFICIAL RULEBOOK & SYSTEMIC GOVERNANCE  
CHARTER**

## FOREWORD

The traditional structures of capital markets have long been optimized for large-scale, highly centralized corporate entities, leaving decentralized, grassroots cooperative movements functionally locked out of institutionalized liquidity infrastructure. In many emerging economies, despite representing millions of individuals, the foundational engines of agricultural, production, and savings cooperatives are constrained by fragmented ledger frameworks, asymmetric capital distribution channels, and an absence of formal, secondary market fixed-income instruments. The establishment of the Co-op Debenture Exchange (Private) Limited (CDEX) and its native digital core, `coops.africa`, marks a historic structural pivot. By designing a platform that integrates legal rigor with modern financial technology, CDEX bridges the gap between micro-scale grassroots participation and macro-scale institutional capital deployment.

Through the tokenized fractionalization of commodity-backed and fixed-income debentures, we have built an ecosystem where a smallholder farmer or a member of a savings union has the identical degree of clearing security, data protection, and structural transparency as an institutional brokerage house. This Official Rulebook & Systemic Governance Charter serves as the definitive legal, operational, and technical blueprint for that ecosystem. It outlines an unbroken chain of systemic governance—extending from the protected voting equity of individual cooperators through automated clearinghouse mechanics managed by Co-op Pay, up to absolute oversight and compliance alignment with the Securities and Exchange Commission of Zimbabwe (SECZ).

This architecture eliminates arbitrary manual intervention. At its core, the rulebook establishes zero-discretion automated fee-splitting, real-time Delivery- versus-Payment (DvP) transaction loops, programmatic asset-escrowing, and proactive anti-money laundering velocity thresholds. It forms a resilient digital space where economic empowerment is structurally hardcoded into the daily flow of transactions. We present this master charter not merely as a regulatory requirement, but as the foundational constitution for a new era of financial infrastructure. It provides the structure to capitalize, stabilize, and expand the pan-African cooperative footprint, creating a transparent framework for shared prosperity across regional borders.

# CONDUCT OF BUSINESS RULES: STATUTORY RULEBOOK

## PART I: PREAMBLE & STATUTORY BOUNDS

### Section A: Statutory Authority and Legislative Framework

**A.1.1 Enabling Legislation** These Conduct of Business Rules (hereinafter referred to as "these Rules" or "the Rulebook") are prescribed, established, and issued by the Board of Directors of **Co-op Debenture Exchange (Private) Limited** (hereinafter referred to as "CDEX" or "the Exchange") pursuant to the express statutory powers conferred upon a licensed securities exchange under the **Securities and Exchange Act [Chapter 24:25]** of the Republic of Zimbabwe, and any subsequent regulations, statutory instruments, rules, directives, or guidelines promulgated thereunder by the regulatory authority.

**A.1.2 Corporate and Governance Power** In accordance with the corporate constitution of the Exchange and the provisions of the Companies and Other Business Entities (COBE) Act [Chapter 24:31], the Board of Directors, in consultation with the Executive Compliance Committee, holds the institutional mandate to formulate, enforce, amend, and repeal market conduct provisions. This authority ensures the orderly, continuous, and systemic operation of the exchange infrastructure.

**A.1.3 Statutory Filing and Effectiveness** No provision, amendment, or variation of these Rules shall have legal force or operational effect within the market until it has been formally submitted to, reviewed by, and granted formal non-objection or written approval from the apex regulatory authority, ensuring full alignment with national financial market policies.

### Section B: Purpose and Regulatory Objects

**B.1.1 Maintenance of Market Integrity** The primary object of these Rules is to construct an unassailable framework of market conduct that guarantees fair, efficient, transparent, and secure trading operations across the platform's digital infrastructure. The rules are engineered to maintain systemic market equilibrium and eliminate structural operational deficiencies.

**B.1.2 Specific Regulatory Objects** To achieve these goals, the Exchange and its market architecture shall be directed toward the following statutory objectives:

1. **Investor Protection and Capital Safeguarding:** Ensuring the highest standards of financial fidelity, operational resilience, and transparency to protect the assets, savings, and corporate investments of grassroots cooperators, Savings and Credit Cooperative Societies (SACCOs), cooperative unions, and institutional asset managers.
2. **Prevention of Market Abuse:** Setting strict systemic barriers against market manipulation, insider trading, front-running, false trading, wash sales, and any deceptive or fraudulent practices that threaten public confidence in the financial system.

3. **Price Transparency and Information Symmetry:** Enforcing instantaneous, electronic dissemination of pre-trade and post-trade data, order book visibility, and corporate disclosures, thereby ensuring all market participants operate under equal information conditions.
4. **Systemic Security and Settlement Finality:** Ensuring that the electronic matching engines, clearing switches, and central registry operations maintain zero-error execution, structural redundancy, and absolute settlement finality under Delivery-versus-Payment (DvP) rules.
5. **Fostering Financial Inclusion:** Providing a regulated, institutional-grade secondary market corridor that allows cooperative enterprises and small-to-medium businesses to access structured capital markets through fixed-income debentures and formalized debt tranches.

## Section C: Scope of Application and Binding Nature

**C.1.1 Contractual Privity Under Seal** These Conduct of Business Rules, including all constituent schedules, performance appendices, and electronic listing rulebooks, shall constitute a valid, legally binding contract under seal between the Exchange and each admitted entity or registered individual interfacing with the platform infrastructure.

**C.1.2 Classes of Bound Entities** The provisions of this Rulebook shall be absolutely binding, without exception, discretion, or limitation, upon the following classes of market actors:

1. **The Exchange:** In its corporate capacity as a licensed market infrastructure provider, system operator, and self-regulatory organization (SRO).
2. **Primary Clearing Participants:** All admitted Savings and Credit Cooperative Societies (SACCOs), apex cooperative unions, and agricultural federations utilizing the payment and settlement networks.
3. **Institutional Intermediaries:** All licensed securities brokers, dealers, asset managers, investment advisors, and custodial institutions formally admitted to trading or clearing privileges on the Exchange.
4. **Listing Issuers:** All corporate entities, cooperative societies, or special purpose vehicles (SPVs) that have listed fixed-income instruments, commodity-backed debentures, or fractionalized debt securities on the official board of the Exchange.
5. **Authorized Individuals:** All principal officers, directors, compliance supervisors, certified traders, clerks, and technical agents acting under the authority or on behalf of any admitted Participant or Listing Issuer.

**C.1.3 Submission to Jurisdiction** By virtue of accessing, registering, onboarding, or maintaining a technical or commercial connection with the `coops.africa` core infrastructure or the CDEX trading gateways, every bound entity is deemed to have irrevocably submitted to the regulatory jurisdiction, investigative powers, disciplinary committees, and audit mandates of the Exchange as set out in this Charter.

## Section D: Regulatory Oversight and Apex Jurisdiction

**D.1.1 Apex Authority of the Securities and Exchange Commission of Zimbabwe (SECZ)**  
The Exchange, its entire operational ecosystem, its participants, and these Conduct of Business Rules are completely subordinate to the apex regulatory supervision and ultimate

statutory jurisdiction of the **Securities and Exchange Commission of Zimbabwe (SECZ)**, as established under Part II of the Securities and Exchange Act [Chapter 24:25].

**D.1.2 Precedence of Statutory Law** In the event of any conflict, divergence, inconsistency, or ambiguity between the provisions of these Conduct of Business Rules and the provisions of the Securities and Exchange Act [Chapter 24:25], the COBE Act [Chapter 24:31], or any official statutory instrument, decree, or directive issued by SECZ, the legislative provisions or regulatory directives shall take complete precedence and prevail to the extent of such inconsistency.

**D.1.3 Regulatory Reporting and Real-Time Surveillance Access** To ensure continuous compliance and absolute regulatory comfort, the Exchange shall maintain an open, uncompromised channel of accountability with SECZ:

1. **Surveillance Integration:** The Exchange shall provide the SECZ surveillance and inspectorate division with real-time, read-only administrative access nodes, allowing the regulator to monitor live market velocity, order book matching, system-level clearing switches, and the central electronic share registry.
2. **Mandatory Alerts:** The Exchange compliance engine shall automatically forward to SECZ any system-generated alerts regarding unusual market behavior, suspicious transactional volumes, or sudden defaults.
3. **Right of Intervention:** The Exchange explicitly records that SECZ retains the statutory power to veto any rule modification, halt trading operations under emergency parameters, audit internal accounts, and review or overturn any decision, sanction, or suspension levied by the CDEX Disciplinary Committee.

# CHAPTER 1: INTERPRETATION, DEFINITIONS, AND GENERAL PROVISIONS

## 1.1 Definitions and Defined Terms

In these Conduct of Business Rules, unless the context otherwise requires, the following expressions shall have the meanings uniquely assigned to them below:

- **"The Act"** means the Securities and Exchange Act

Chapter 24:25

of the Republic of Zimbabwe, as amended from time to time.

- **"Annual Platform Transaction Volume"** means the total aggregated monetary value of all successfully cleared and settled trades, debenture issuances, and marketplace transactions processed digitally across the System during a single fiscal year.
- **"Apex Cooperative Union"** means a cooperative society registered under the Co-operative Societies Act

Chapter 24:05

whose membership comprises primary cooperative societies or district unions, acting as the peak representative and financial clearing body for its constituent sectors.

- **"Automated Share Registry"** means the centralized electronic ledger system operated by the Exchange and its technical infrastructure providers to track, record, vest, and alter the ownership of common voting shares within the Company.
- **"The Board"** means the Board of Directors of the Co-op Debenture Exchange (Private) Limited, duly constituted in accordance with the Companies and Other Business Entities Act

Chapter 24:31

and the Master Governance Charter.

- **"CDEX" or "The Exchange"** means Co-op Debenture Exchange (Private) Limited, a company registered under the laws of Zimbabwe and licensed (or undergoing licensing) by the Commission to operate a regulated securities exchange.
- **"Clearinghouse"** means the automated network switch and financial settlement infrastructure owned and managed by Co-op Pay Financial Services (Private) Limited, serving as the designated entity responsible for net clearing and payment distribution for the Exchange.
- **"The Commission" or "SECZ"** means the Securities and Exchange Commission of Zimbabwe established in terms of section 3 of the Act.
- **"Commodity-Backed Debenture"** means a fixed-income, corporate debt security issued by a registered cooperative or Special Purpose Vehicle (SPV) on the Exchange, representing a loan acknowledgment secured directly against physical, audited

agricultural commodities, inventory reserves, or mineral wealth held under licensed collateral management.

- **"COBE Act"** means the Companies and Other Business Entities Act

Chapter 24:31

of the Republic of Zimbabwe.

- **"Compliance Officer"** means an individual appointed by an institutional Participant and formally certified by the Exchange to supervise, audit, and guarantee daily compliance with these Market Rules.
- **"Cooperative Society"** means an enterprise or association registered in terms of the Co-operative Societies Act

Chapter 24:05

or equivalent regional legislation.

- **"Cooperator"** means an individual human participant who is an active, verified member of a registered Cooperative Society or SACCO onboarding onto the platform ecosystem.
- **"Delivery-versus-Payment (DvP)"** means a structural settlement mechanism ensuring that the final transfer of a debt security from a seller to a buyer occurs if, and only if, the final transfer of the corresponding fiat currency payment occurs from the buyer to the seller.
- **"Dynamic Pricing Engine"** means the automated accounting application that algorithmically recalculates the current per-share asset and utility valuation of the Exchange's underlying common equity based on Net Asset Value (NAV) and transaction volume indicators following an audit sign-off.
- **"Electronic Order Book"** means the continuous, automated electronic display within the Matching Engine showing outstanding, unexecuted buy and sell orders sorted by price and time priority.
- **"Fidelity Guarantee Fund"** means the statutory capital suspense account established and maintained by the Exchange to compensate investors who suffer direct financial loss as a consequence of fraud, misappropriation, or insolvency by any Participant.
- **"Institutional Intermediary"** means a licensed securities dealer, broker, asset manager, or custodial bank formally admitted by the Board to execute trades or hold client assets on the Exchange.
- **"Listing Rules"** means the definitive criteria, procedures, and ongoing disclosure codes governing the admission of corporate debt and debentures to the official trading board of the Exchange.
- **"Matching Engine"** means the core, zero-discretion computer software algorithm within the System that automatically executes paired buy and sell orders entered by Participants based on hardcoded execution parameters.
- **"Net Asset Value (NAV)"** means the total value of the consolidated assets of the Company and its structural infrastructure subsidiaries minus its total accrued liabilities, calculated under International Financial Reporting Standards (IFRS).
- **"Participant"** means any Primary Clearing Participant or Institutional Intermediary that has been formally granted membership privileges by the Exchange to trade or settle transactions.

- **"Primary Clearing Participant"** means a verified SACCO, cooperative union, or federation admitted to direct transaction settlement privileges on the platform network.
- **"Regulatory Equilibrium Pool"** means the dedicated, ring-fenced block representing seventy percent (70.00%) of the Company's issued common voting equity reserved exclusively for hyper-fragmented micro-allocation to individual platform cooperators.
- **"SACCO"** means a Savings and Credit Cooperative Society registered under the Co-operative Societies Act

Chapter 24:05

- **"System"** means the entire integrated digital market architecture, software stacks, user interfaces, matching frameworks, and settlement channels operating through the core infrastructure spine of `coops.africa`.

## 1.2 Rules of Interpretation and Construction

For all purposes relating to the enforcement, adjudication, or application of these Rules, the following structural construction parameters shall strictly apply:

**1.2.1 Headings and Structural Divisions** The division of these Rules into Chapters, Sections, and Clauses, and the insertion of bold titles or headings, are for convenience of reference only and shall not influence, alter, or restrict the legal interpretation or contextual meaning of the text.

**1.2.2 Number and Gender Reference** Unless the explicit context mandates otherwise, words importing the singular number only shall include the plural and vice versa, and words importing any gender shall include all human genders and corporate entities.

**1.2.3 Statutory References** Any reference within this Rulebook to an Act of Parliament, Statutory Instrument, Regulations, Directive, or General Notice shall be construed as a reference to that legislation as currently amended, supplemented, re-enacted, or replaced from time to time.

**1.2.4 Computation of Time and Business Days** Where any period of time is prescribed for any action, filing, or notice under these Rules, such time shall be calculated excluding the first day and including the last day. If the final day falls on a Saturday, Sunday, or gazetted Public Holiday in the Republic of Zimbabwe, the period shall extend to the next succeeding Business Day. Trading hours and settlement windows shall be governed strictly by the operational clock of the System.

**1.2.5 Strict Construction Against Arbitrary Latitude** The provisions of these Rules shall be interpreted to promote market transparency and investor security. No custom, historical practice, or informal verbal understanding between the Exchange and any Participant shall be competent to modify, override, or waive the literal meaning of any provision within this Rulebook.

## 1.3 Amendment Procedures for Market Conduct Rules

**1.3.1 Absolute Authority of the Board** The Board of Directors, acting on the technical and legal recommendations of the Executive Compliance Committee, holds the exclusive authority to initiate amendments, additions, variations, or deletions to these Conduct of Business Rules.

**1.3.2 Mandatory Participant Notification and Consultation Window** Prior to submitting any proposed rule variation for regulatory sign-off, the Exchange shall publish a formal notice of the proposed text to all admitted Participants via the digital system interface. Participants shall be granted a mandatory window of fourteen (14) Business Days from the date of transmission to lodge written submissions, critiques, or structural impact assessments with the Compliance Officer.

**1.3.3 Conditional Regulator Sign-Off** Following the consultation window, the Board shall collate the text alongside any participant feedback and submit the formal application package to the Securities and Exchange Commission of Zimbabwe (SECZ). In terms of section A.1.3 of the Preamble, no rule modification shall possess market validity or force of law until the Commission has issued its explicit written approval or notice of non-objection.

**1.3.4 Emergency Rule-Making Powers** Notwithstanding the notice and consultation requirements of clause 1.3.2, if the Board determines by unanimous resolution that an immediate, systemic threat exists to the solvency, operational integrity, or security of the Exchange—including market manipulation events, macro-economic shocks, or major infrastructure failures—the Board may immediately implement temporary Emergency Rules.

- Emergency Rules shall be transmitted to SECZ within twenty-four (24) hours of execution alongside a comprehensive technical justification report.
- Emergency Rules shall possess a maximum operational life of thirty (30) days, after which they must either be formally processed via the standard amendment track or lapse automatically.

## 1.4 Notifications, Official Communications, and Electronic Service of Notices

**1.4.1 Primary Electronic Delivery Architecture** The Exchange operates natively as an institutional electronic infrastructure provider. Consequently, all formal notices, circulars, data distributions, regulatory alerts, and disciplinary summonses shall be delivered through electronic communication channels.

**1.4.2 Valid Service Vectors** A communication or notice under these Rules shall be deemed legally served and executed if it is processed through any of the following vectors:

1. **System-Level Portal Alert:** Direct transmission into the secure, authenticated dashboard interface of an admitted Participant or Listing Issuer on the `coops.africa` platform.
2. **Registered Electronic Mail:** Delivery to the explicit corporate email address listed by the Participant upon formal application and onboarding.
3. **Automated Clearinghouse Webhook:** A system-generated system payload delivered directly to the integrated back-office technical endpoint of a Primary Clearing Participant.

**1.4.3 Determination of Effective Date and Delivery Finality** Any notice transmitted via the electronic vectors specified above shall be deemed conclusively received by the target entity precisely twenty-four (24) hours after the outbound transmission log timestamp recorded by the System's automated audit log. The recipient cannot plead network latency, local server downtime, or unread email boxes as a defense against the legal execution of a notice.

**1.4.4 Obligation to Maintain Current Registry Data** Every Participant and Listing Issuer holds a continuous, strict obligation to ensure that its technical endpoints, active admin users, and corporate email matrices are updated on the System registry. Any failure to receive a notification due to stale registry profiles shall be borne as a direct operational liability of the default entity.

## **1.5 Fees, Levies, and Tariffs: Authority to Impose and Modify Transactional Assessments**

**1.5.1 Legal Right to Imposition** The Exchange is legally empowered to levy fees, transaction charges, membership subscription tariffs, listing application assessments, and clearinghouse service charges upon all bound entities to fund its operations, maintain the Fidelity Guarantee Fund, and ensure the resilience of the market infrastructure.

**1.5.2 Statutory Integration of Schedule A** The exact numerical tariffs, clearing percentages, and subscription frequencies are codified within **SCHEDULE A** of this Rulebook. Schedule A is an integrated, legally binding component of this document, and accessing the trading engine constitutes unconditional acceptance of its payment parameters.

**1.5.3 Automated Transaction Redirection Engine** All transactional clearing charges, exchange levies, and statutory commissions due to the Exchange or SECZ shall be processed via automated deductions executed by the Co-op Pay Financial Services switch. The clearing engine shall automatically extract the prescribed fees at the moment of order matching and settlement execution, diverting the capital directly into the designated Exchange treasury nodes and suspense accounts before releasing net settlement proceeds to the trading counterparties.

**1.5.4 Modification Requirements and Regulatory Approvals** The Board retains the authority to modify the fee structures and percentage markers set out in Schedule A to align with market dynamics or infrastructure adjustments. Any alteration of the fee matrix:

1. Must be passed by a two-thirds majority resolution of the Board.
2. Must be formally submitted to and approved in writing by SECZ to ensure consumer protection and prevent predatory market pricing.
3. Must be published via the digital portal to all Participants at least thirty (30) days prior to the operational effective date of the new tariff layer.

## CHAPTER 2: ADMISSION AND GOVERNANCE OF ECOSYSTEM PARTICIPANTS

### 2.1 Categories of Market Participants

The Exchange shall admit and register distinct categories of institutional market actors to access its digital trading gateways and clearing infrastructure. No entity may execute transactions, clear debt instruments, or interface directly with the Matching Engine without an active, unrevoked admission certificate issued by the Board.

#### 2.1.1 Primary Clearing Participants (Verified SACCOs and Cooperative Unions)

1. **Scope and Admission:** This category is restricted exclusively to Savings and Credit Cooperative Societies (SACCOs), apex cooperative unions, and agricultural federations formally registered under the Co-operative Societies Act

Chapter 24:05

or recognized under regional cooperative frameworks.

2. **Operational Mandate:** Primary Clearing Participants are granted direct system access to clear, settle, and allocate fixed-income tranches and debentures on behalf of their proprietary treasury portfolios or their individual constituent Cooperators.
3. **Infrastructure Integration:** These entities settle their transactions natively via the integrated network switches managed by Co-op Pay Financial Services, serving as institutional bridges between grassroots capital pools and the formal exchange architecture.

#### 2.1.2 Institutional Intermediaries (Licensed Brokers and Asset Managers)

1. **Scope and Admission:** This category comprises corporate investment firms, securities dealers, stockbrokers, and asset management institutions holding valid, active operating licenses issued by the Securities and Exchange Commission of Zimbabwe (SECZ) under the Act.
2. **Operational Mandate:** Institutional Intermediaries are authorized to execute buy and sell orders for corporate debt instruments, manage discretionary and non-discretionary portfolios of cooperative debentures, and offer structural investment advisory services to institutional and retail clients.
3. **System Privilege:** They are granted full electronic trading terminal privileges within the Electronic Order Book, subject to the capital adequacy provisions contained in Chapter 3.

#### 2.1.3 Market-Making Participants and Liquidity Providers

1. **Scope and Admission:** The Board may admit specialized financial institutions, banking corporations, or well-capitalized intermediaries to act as designated Market Makers.

2. **Operational Mandate:** Market Makers hold a strict affirmative obligation to maintain continuous, automated, two-way quotes (simultaneous bids and offers) for specified debt instruments during official trading hours. This activity ensures depth, order book resilience, and immediate liquidity for exiting investors.
3. **Regulatory Incentives:** In consideration of their systemic liquidity obligations and capital commitment risk, Market Makers may be granted preferential transaction tariff rebates, as approved by SECZ and codified in Schedule A.

## 2.2 General Requirements for Admission to Membership

To secure and maintain status as an admitted Participant of CDEX, an applicant must satisfy the Exchange Inspectorate that it complies fully with the foundational legal, prudential, and technical gatekeeping criteria detailed below.

### 2.2.1 Incorporation and Statutory Legal Status

1. **Corporate Existence:** An applicant must be validly incorporated and in good standing as a legal entity under the Companies and Other Business Entities (COBE) Act

\$\$Chapter 24:31\$\$

or registered as a corporate body under the Co-operative Societies Act

\$\$Chapter 24:05\$\$

2. **Constitutional Alignment:** The applicant's memorandum, articles of association, or cooperative bylaws must explicitly permit the trading, holding, or management of capital market securities and fixed-income debt instruments.
3. **Tax and Regulatory Compliance:** The applicant must provide a current Tax Clearance Certificate from the Zimbabwe Revenue Authority (ZIMRA) along with verified corporate registry profiles proving the identities of all beneficial owners.

### 2.2.2 Fit and Proper Vetting Criteria for Personnel

1. **Vetting Mandate:** Every Director, Chief Executive, Principal Officer, Partner, and Operations Executive of an applicant must undergo stringent background vetting by the Executive Compliance Committee to ensure compliance with SECZ "Fit and Proper" standards.
2. **Disqualifying Parameters:** No individual shall be approved to control or represent a Participant if they:
  - Have been convicted within the preceding ten (10) years of any criminal offense involving financial fraud, embezzlement, forgery, tax evasion, or money laundering.
  - Are currently declared bankrupt or subject to corporate insolvency proceedings under the Insolvency Act

## Chapter 6:04

- Have been censured, penalized, or stripped of a professional license by SECZ, the Reserve Bank of Zimbabwe (RBZ), or any other financial regulatory tribunal for market misconduct.
3. **Continuous Review:** The fit and proper requirement is a continuous obligation. A Participant must immediately notify the Exchange if any executive personnel become subject to regulatory investigation or disqualifying events.

### 2.2.3 Technical Infrastructure Readiness and Platform Integration

1. **Core Gateway Handshake:** Applicants must possess technical infrastructure capable of executing secure, encrypted API handshakes with the `coops.africa` core architecture.
2. **Systems Architecture Verification:** Prior to active terminal allocation, the applicant's internal order-management systems must pass isolated sandbox stress tests to verify:
  - Automated compatibility with the CDEX central Matching Engine.
  - Flawless electronic ledger updating and transactional balance reconciliation.
  - Complete data protection controls aligned with national cyber-security frameworks, preventing unauthorized access to cooperator client data.
3. **No Unapproved Modifications:** The use of unapproved software overlays, unauthorized automated routing scripts, or uncertified order execution tools is strictly prohibited and constitutes grounds for immediate refusal or revocation of access keys.

## 2.3 Appointment and Fiduciary Duties of Authorized Compliance Officers

**2.3.1 Mandatory Appointment** Every admitted Participant must designate and maintain at least one (1) principal officer who shall be certified by the Exchange to act as the Authorized Compliance Officer. The Exchange will not activate a Participant's electronic trading credentials if the office of the Compliance Officer is vacant.

**2.3.2 Regulatory Fiduciary Duties** The Compliance Officer is an officer of the market and owes strict fiduciary duties to both the Exchange and the client base, including:

1. **Internal Surveillance Monitoring:** Maintaining continuous oversight over the Participant's trading terminals, employee activities, and capital adequacy variables to prevent breaches of these Rules or the Act.
2. **Audit Trail Maintenance:** Ensuring that complete, unalterable electronic logs of all client instructions, order entries, transaction matching notifications, and clearinghouse distributions are preserved for a minimum moving period of eight (8) years.
3. **Primary Regulatory Liaison:** Acting as the primary, immediate contact node for the CDEX Inspectorate and SECZ auditors during routine field investigations, system evaluations, or emergency market interventions.
4. **Mandatory Reporting:** Lodging immediate, confidential Suspicious Transaction Reports (STRs) with the Exchange Compliance Desk if any pattern of trading suggests market manipulation, insider dealing, or velocity anomalies.

**2.3.3 Statutory Immunity for Compliance Declarations** A Compliance Officer who provides data, audit logs, or investigative disclosures to the Exchange or SECZ in fulfillment of their duties under these Rules shall be fully protected from corporate retaliation, dismissals, or civil liability by the employer.

## 2.4 Rights and Obligations of Admitted Participants

### 2.4.1 Rights of Admitted Participants

1. **Order Book Interfacing:** The non-exclusive right to securely log into the System and enter matching bids and offers for approved debentures and corporate debt instruments.
2. **Clearing Privileges:** Direct access to automated net-clearing operations and swift asset distributions managed through the Co-op Pay Financial Services switch.
3. **Institutional Voting Voice:** The right to receive official circulars, contribute technical feedback during the fourteen-day rule amendment consultation windows, and attend the Annual Market Participants Assembly.
4. **Due Process Protection:** The right to a formal, fair, and transparent hearing before the independent CDEX Disciplinary Committee prior to the imposition of any permanent operational sanction, suspension, or fine.

### 2.4.2 Obligations of Admitted Participants

1. **Strict Rule Adherence:** Total obedience to every provision of this Statutory Rulebook, the Listing Rules, and all technical circulars issued by the Board.
2. **Prudential Capital Capitalization:** Maintaining capital balances, liquid asset accounts, and clearinghouse collateral cushions at or above the explicit minimum bounds set in Chapter 3.
3. **Financial Contribution Accountability:** Timely settlement of all monthly subscription fees, connectivity tariffs, transaction charges, and statutory SECZ levies via the automated Co-op Pay extraction engine.
4. **Client Safeguarding Mandate:** Putting the execution priority and economic safety of client and cooperator orders above the proprietary trading interests of the firm or its executives.
5. **Absolute Transparency:** Submitting all requested financial sheets, external audit reviews, change-of-control notifications, and operational risk metrics to the Exchange Inspectorate without delay.

## 2.5 Procedures for Voluntary Resignation, Suspension, and Termination

### 2.5.1 Voluntary Resignation and Membership Exit

1. **Written Notice Phase:** A Participant wishing to exit the Exchange must submit a formal written Notice of Intended Resignation to the Board at least sixty (60) days prior to the proposed cessation date.
2. **Settlement and Liability Run-Off:** The resignation shall not be accepted, and the Participant's structural obligations shall not dissolve, until:
  - All outstanding settlement cycles are completed with zero defaults.

- All open client accounts and debenture records are transferred to another admitted Participant or safely returned to the underlying Cooperators' custody.
  - All pending exchange fees, system levies, or regulatory assessments are paid in full.
3. **Official Deactivation:** Upon verification of a clean financial run-off, the Board shall issue an order cancelling the membership, revoking the API credentials, and notifying SECZ and the public.

### *2.5.2 Grounds and Execution of Administrative Suspension*

1. **Triggering Injunctions:** The Executive Compliance Committee or the Board may immediately suspend a Participant's trading and clearing access keys if the Participant:
- Violates net liquid capital adequacy limits or defaults on a settlement clearing obligation.
  - Becomes subject to an insolvency event, receivership, or judicial management.
  - Fails an infrastructure security check, exposing the `coops.africa` core network to systemic vulnerabilities or data leaks.
  - Is directed to be suspended by a formal enforcement decree issued by SECZ.
2. **Suspension Operating Status:** During a period of suspension, the Participant's access is restricted to "Read-Only / Position Close-Out" mode. They are legally barred from onboarding new clients, soliciting investments, or initiating new buy configurations.

### *2.5.3 Termination of Membership*

1. **Grave Violations:** The permanent termination of a Participant's membership status may be ordered by the CDEX Disciplinary Committee following a formal hearing, or immediately executed if the Participant's statutory SECZ license is revoked.
2. **Consequences of Termination:** Upon issuance of a termination decree:
- All system access privileges, security handshakes, and administrative dashboard access are permanently extinguished.
  - The Participant's proprietary positions may be forcibly liquidated by the Exchange to satisfy unpaid clearing defaults or client compensation claims.
  - The Participant remains legally liable to the Exchange and its clients for all actions, debts, or misdeeds executed prior to the termination timestamp.
3. **Public Record:** Notice of termination shall be displayed prominently across the public portal of the Exchange and formally logged within the regulatory records of SECZ.

## CHAPTER 3: PRUDENTIAL STANDARDS AND FINANCIAL ADEQUACY REQUIREMENTS

### 3.1 Minimum Liquid Capital Requirements for Participants

**3.1.1 Continuous Capital Adequate Maintenance** Every admitted Participant must maintain at all times a minimum level of net liquid capital to ensure institutional solvency, protect client assets, and shield the market infrastructure from counterparty settlement risks. A Participant must never allow its net liquid capital to fall below the base statutory thresholds defined under this Section or any subsequent directive issued by the Board in alignment with SECZ rules.

**3.1.2 Categorized Capital Threshold Matrices** The baseline minimum liquid capital requirements shall be structurally tiered based on the participant's operational classification and system risk exposure:

1. **Institutional Intermediaries (Licensed Brokers and Asset Managers):** Must maintain a minimum net liquid capital level equivalent to the higher of a fixed statutory floor (as specified by SECZ) or thirteen percent (13.00%) of their annual operating expenditure calculated from the preceding audited fiscal year.
2. **Primary Clearing Participants (SACCOs and Cooperative Unions):** Must maintain liquid reserve cushions inside their automated settlement accounts that comply fully with both the capital adequacy guidelines of the Co-operative Societies Act

§§Chapter 24:05§§

and the designated clearinghouse pre-funding collateral buffers enforced by the Co-op Pay Financial Services switch.

3. **Market-Making Participants and Liquidity Providers:** Due to their continuous commitment to provide two-way quotes and absorb execution inventory, Market Makers must maintain an enhanced capital tier, equivalent to twice the minimum asset floor of standard Institutional Intermediaries, backed by pre-arranged commercial banking lines of credit registered with the Exchange.

**3.1.3 Early Warning Notification Trigger** If at any moment a Participant's net liquid capital drops below one hundred and twenty percent (120.00%) of its absolute statutory minimum requirement, the Compliance Officer must immediately execute an automated system alert to the CDEX Risk Desk. The Participant will be prohibited from expanding its risk profile or onboarding new client accounts until it infuses fresh capital or unwinds proprietary liabilities to restore safe prudential margins.

### 3.2 Maintenance and Inspection of Financial Records and Accounts

**3.2.1 Compliance with International Financial Reporting Standards (IFRS)** Participants must maintain complete, accurate, and up-to-date accounting and financial records of all transactions, proprietary dealings, and client holdings. These records must be structured

strictly in compliance with International Financial Reporting Standards (IFRS) and the financial presentation requirements of the COBE Act

Chapter 24:31

**3.2.2 Unalterable Electronic Ledger Maintenance** All financial ledgers, transactional logs, order matching slips, and fee payments must be processed and securely preserved within an unalterable electronic accounting architecture. In alignment with Section 2.3.2, these digital financial audit trails must be safely backed up across secure regional data nodes and preserved for a rolling period of no less than eight (8) years.

**3.2.3 Rights of Entry and Unannounced Inspections** The Exchange Inspectorate, acting independently or in coordination with SECZ auditors, possesses an unrestricted, absolute statutory right to inspect a Participant's financial state:

1. **On-Site and Remote Data Demands:** The Inspectorate may enter a Participant's physical corporate premises or issue an electronic payload demand forcing the immediate disclosure of bank logs, internal journals, or clearings records.
2. **No Interruption Defenses:** A Participant cannot deny access to its electronic financial dashboard, hide files, or request inspection delays on the grounds of internal governance processes or pending executive authorizations. Failure to provide immediate audit access constitutes an automatic ground for immediate market access suspension.

### 3.3 Absolute Segregation of Proprietary and Client Funds

**3.3.1 Core Principle of Asset Separation** To safeguard the investments of individual Cooperators and institutional clients, there must be an absolute, permanent separation between the proprietary cash and assets of a Participant and the cash and assets belonging to its clients. Under no circumstances may a Participant mix client capital with its own operational funds or use client balances to finance its corporate overhead, clear proprietary trading debts, or collateralize corporate loans.

#### *3.3.1 Management of Dedicated Trust Bank Accounts*

1. **Establishment of Statutory Trust Accounts:** Every Participant handling client or Cooperator cash must open separate, dedicated bank accounts at licensed commercial banking institutions in Zimbabwe approved by both the Exchange and SECZ. These accounts must be explicitly designated and legally named as "*CDEX Client Trust Account – [Name of Participant]*".
2. **Asset Protection from Creditor Claims:** In terms of the Act, monies held inside a designated Client Trust Account do not form part of the general assets or estate of the Participant. Consequently, these funds cannot be attached, seized, or garnished by any third-party creditor, liquidator, or judicial executor in the event of the Participant's insolvency, bankruptcy, or corporate winding-up.
3. **Strict Withdrawal Permissions:** The only permitted outflows from a Client Trust Account are payments directed to satisfy settlement executions on behalf of that specific client, withdrawals for the return of uninvested capital directly to the verified

bank account of the client, or the extraction of approved, contractually authorized commissions due to the Participant.

### 3.3.2 Operation of the Co-op Pay Clearing House Accounts

1. **Automated Clearing Infrastructure:** Net financial clearing and real-time transaction processing between Participants on the Exchange are managed exclusively via the automated network switches operated by **Co-op Pay Financial Services (Private) Limited**.
2. **Pre-Funded Settlement Integrity:** To ensure absolute settlement finality under Delivery-versus-Payment (DvP) standards, the Co-op Pay clearinghouse enforces hardcoded pre-funding verification parameters. When a buy order is entered into the Electronic Order Book, the System instantly checks the buyer's dedicated Co-op Pay Clearing Account to confirm that sufficient cash is locked.
3. **Instantaneous Automated Settlement Split:** Upon matching by the core engine, the Co-op Pay clearing switch simultaneously performs two system actions:
  - It debits the buyer's clearing account and credits the seller's clearing account with the net asset price.
  - It automatically extracts the mandated transaction commissions, exchange levies, and statutory SECZ fees, routing them directly to the Exchange's institutional treasury nodes, as detailed in Section 1.5.3.

## 3.4 Annual Financial Audits, Special Audits, and Interim Financial Reporting

**3.4.1 Mandate for Regular Interim Reporting** Every Participant must prepare and upload to the Exchange Compliance Portal un-audited quarterly financial statements and prudential compliance matrices within thirty (30) days from the end of each calendar quarter. These reports must explicitly show the current net liquid capital position, liquidity ratios, and total asset turnover processed across the platform.

**3.4.2 Annual Audited Submissions Package** Within ninety (90) days following the close of its fiscal financial year, every Participant must file its comprehensive annual report with the Exchange. This package must include its full financial statements certified by an independent external auditing firm that is formally registered with the Public Accountants and Auditors Board (PAAB) and approved by SECZ to audit capital market entities.

**3.4.3 Power to Order a Special Audit** If the Board, the Risk Desk, or the Executive Compliance Committee identifies structural anomalies, recurring settlement delays, or unexplained compliance variances within a Participant's reporting patterns, the Exchange retains the absolute power to order an immediate **Special Audit**.

1. **Selection of Special Auditor:** The Exchange shall select an independent external investigative auditor to review the Participant's internal controls, systems integration, and trust account balances.
2. **Allocation of Special Costs:** The full costs, professional fees, and operational expenses tied to the execution of the Special Audit shall be borne entirely by the target Participant. The Participant must provide total cooperation to the special auditors or face immediate market deactivation.

## 3.5 Contribution Mandates to the CDEX Fidelity Guarantee Fund

**3.5.1 Establishment and Statutory Purpose** Pursuant to the protections envisioned under the Act, the Exchange shall establish and maintain a dedicated, ring-fenced financial pool known as the **CDEX Fidelity Guarantee Fund** (hereinafter referred to as "the Fund"). The sole institutional purpose of the Fund is to compensate retail cooperators, institutional clients, and market counterparties who suffer direct, quantifiable financial loss resulting from dishonest practices, embezzlement, gross fraud, or systemic default executed by an admitted Participant or its certified personnel.

**3.5.2 Initial Admission Contribution Capital** Upon receiving formal approval for membership admission and prior to the live activation of its digital API credentials, every Participant must make a mandatory, non-refundable initial capital contribution to the Fund, as specified within the statutory schedules of Schedule A.

**3.5.3 Continuous Volume-Based Extraction Mandate** To guarantee the organic, resilient scaling of the Fund's capital pool in proportion to overall market velocity, a continuous contribution mechanism is integrated directly into the trading architecture:

1. **Automated Percentage Slicing:** On every matched trade and debenture settlement executed within the System, the Co-op Pay clearinghouse switch shall automatically extract a micro-levy percentage from the transaction volume.
2. **Direct Deposit Allocation:** These funds are diverted instantly from the clearing pool and transferred straight into the secure investment accounts managed by the Trustees of the Fidelity Guarantee Fund.
3. **Replenishment Levies:** If the Fund is drawn down following a major market default, the Board, with the written authorization of SECZ, may levy a mandatory, temporary replenishment assessment upon all active Participants to restore the safety floor of the Fund.

## CHAPTER 4: INTERMEDIARY-CLIENT RELATIONS AND MARKET CONDUCT

### 4.1 Client Onboarding Protocols, Vetting Gates, and Account Opening

Every Institutional Intermediary and Primary Clearing Participant (hereinafter collectively referred to as "Admitted Entities") must establish, maintain, and systematically execute clear, robust onboarding and gatekeeping procedures before activating trading accounts or executing orders on behalf of any client or individual Cooperator. No trade execution or debenture allocation may be initiated within the System for an unverified or anonymous account.

#### 4.1.1 Comprehensive Know-Your-Customer (KYC) Vetting Infrastructure

1. **Mandatory Collection Architecture:** Admitted Entities must utilize the integrated identity verification interfaces provided by the `coops.africa` platform to collect and digitize foundational source identification credentials. The minimal verification records required for all accounts shall include:

- **Natural Persons (Individual Cooperators):** Full legal name, verified National Identity Number (ID) or valid international passport, verified residential street address, active mobile telephone number linked to their digital wallet profile, and proof of active membership within a registered cooperative or SACCO.
- **Corporate Entities and SACCOs:** Certified copy of the Certificate of Incorporation, Memorandum and Articles of Association (or official Cooperative Registration Certificate issued under the Co-operative Societies Act

Chapter 24:05

), proof of registered office address, current tax compliance certificate, and a formal board resolution authorizing account opening and designating authorized platform traders.

2. **Ultimate Beneficial Ownership (UBO) Decoupling:** In terms of the Companies and Other Business Entities (COBE) Act

Chapter 24:31

, Admitted Entities must look through complex corporate layerings, trust wrappers, or nominee designations to identify and verify the natural human beings who ultimately hold, control, or direct ten percent (10.00%) or more of the voting equity or financial benefit of any institutional client account.

3. **Digital Verification Handshakes:** All identity documents submitted via the `coops.africa` gateway must undergo automatic cross-matching against official government databases, biometric registries, or verified bank verification APIs to

guarantee authentication finality before the account can move out of "Pending Validation" status.

#### 4.1.2 Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Surveillance

1. **Statutory Legislative Compliance:** Admitted Entities must operate their internal transaction screening mechanisms in absolute compliance with the Money Laundering and Proceeds of Crime Act

§§Chapter 9:24§§

of Zimbabwe, and any subsequent operational directives issued by the Financial Intelligence Unit (FIU) or SECZ.

2. **Sanctions Screening and Politically Exposed Persons (PEPs):** Prior to account activation and continuously thereafter, the onboarding framework must screen all prospective account names against updated national and global sanctions lists, asset freeze orders, and Politically Exposed Persons (PEP) registers. Accounts matching these criteria must be automatically isolated and routed to the Compliance Officer for enhanced due diligence (EDD) and formal authorization.
3. **Real-Time Transaction Velocity Tracking:** The Exchange's automated clearing switch, managed by Co-op Pay Financial Services, monitors continuous transaction velocities and funding patterns. Any influx of funds, unstructured deposits, or rapid debenture purchases that deviate sharply from the client's declared economic profile shall trigger a system-level compliance hold.
4. **Suspicious Transaction Reporting (STR) Mandate:** If an Admitted Entity suspects or has reasonable grounds to believe that capital entering the Exchange is the product of illicit activity, tax evasion, or intended for the financing of criminal networks, it must immediately file an anonymous Suspicious Transaction Report (STR) with the Financial Intelligence Unit and notify the CDEX Compliance Desk within twenty-four (24) hours, without alerting or "tipping off" the targeted account holder.

## 4.2 Suitability Vetting and Consumer Assessment Frameworks for Retail Cooperators

**4.2.1 The Core Principle of Suitability and Proportionality** Given the specific financial inclusion mandate of CDEX in servicing grassroots capital networks and cooperative societies, Admitted Entities owe an heightened duty of care to non-professional retail investors and individual Cooperators. No Participant may recommend, solicit, or execute an allocation of structured corporate debt or commodity-backed debentures for a retail client unless they have first determined that the product is completely suitable for that client's financial capacity, risk appetite, and investment timeline.

**4.2.2 Mandated Client Profiling Gates** Before a retail cooperator can place an execution order for a fixed-income instrument, the digital onboarding portal must compel the completion of a standardized Consumer Assessment Profile. This profile algorithmically weights and records:

1. **Financial Standing:** The client's monthly net income, liquid savings reserves, and the percentage of disposable capital they intend to allocate to fixed-income tranches.

2. **Investment Experience:** The client's historical familiarity with capital market debt products, tenure expectations, and understanding of redemption parameters.
3. **Risk Profile Tolerance:** The client's capability to absorb potential valuation delays, lockup terms, or underlying crop/commodity yield shortfalls associated with commodity-backed instruments.

**4.2.3 Algorithmic Risk Filters and Warning Caps** The `coops.africa` core infrastructure hosts hardcoded risk-matching layers that align individual client scores with product risk tiers:

1. **Automated Warning Triggers:** If a retail cooperator attempts to allocate more than twenty-five percent (25.00%) of their declared annual liquid net worth into a single high-yield, micro-scale corporate debt tranche, the System will automatically freeze the order pipeline.
2. **Mandatory Electronic Sign-Off:** The client will be presented with a clear risk disclosure statement written in simple, non-technical language. The transaction cannot proceed until the client checks an explicit, electronic acknowledgment confirming they wish to proceed despite the disproportionate concentration of risk.

## 4.3 Execution of Formal Electronic Client Agreements and Mandated Disclosures

**4.3.1 Contractual Privity Requirement** No institutional intermediary may accept capital or initiate order executions for a client without first executing a formal, legally enforceable *Master Client Brokerage Agreement* via a secure, unalterable electronic signature protocol. This digital agreement details the exact mutual rights, responsibilities, commissions, and contractual boundaries governing the relationship.

**4.3.2 Clear Presentation of Fee Schedules** Clients must be provided with complete clarity regarding all transaction costs prior to executing an agreement. The agreement must explicitly display an all-inclusive breakdown of fees, matching the parameters of Schedule A:

1. **Deduction Transparency:** It must outline the exact percentage margins that will be extracted automatically by the Co-op Pay switch upon order matching (including exchange fees, clearing fees, and statutory SECZ levies).
2. **Prohibition of Hidden Fees:** No Participant may levy arbitrary account management surcharges, unnotified administrative markups, or exit fees that are not formally codified in the master agreement and approved under the Exchange rules.

**4.3.3 Standardized Risk Disclosure Declarations** Every electronic client agreement must incorporate a prominent, standalone Appendix entitled "*Statutory Financial Risk Disclosure Document*". This document must clearly state, at a minimum, the following warnings:

- Debentures and corporate debt instruments represent fixed-income obligations that are subject to issuer credit and default risks.
- Past performance of a cooperative society, agricultural federation, or underlying commodity yield is not a guaranteed indicator of future financial returns.
- Secondary market liquidity depends on active order book matching, and immediate liquidation or premature exit from a fixed-tenure debenture may not always be achievable.

- Funds cleared onto the Exchange do not represent commercial bank deposits and are not covered by general deposit insurance corporations, but are instead protected under the specialized parameters of the CDEX Fidelity Guarantee Fund.

## 4.4 Management and Direct Mitigation of Institutional Conflicts of Interest

**4.4.1 Identification of Conflicting Environments** Admitted Entities must structure their corporate governance, employee remuneration models, and proprietary accounts to avoid, and where unavoidable, systematically mitigate any structural conflicts of interest that could prejudice the execution outcome of client transactions. A conflict of interest arises whenever the financial interests of the firm, its shareholders, directors, or traders run counter to the best economic interests of a client.

**4.4.2 Priority of Client Execution Order (The Front-Running Prohibition)** 1. **Strict Time-Price Allocation:** Client orders entered into the Electronic Order Book must always receive complete priority over any proprietary or house orders managed by the Admitted Entity.

2. **The Matching Priority Rule:** If an Admitted Entity intends to buy or sell a specific debenture tranche for its proprietary house account, and simultaneously holds an identical, unexecuted order from a client, the client's order must be entered and filled first within the Matching Engine. Entering a house order ahead of a client order to capture a more favorable price variance constitutes front-running, which is a severe market integrity violation subject to immediate license termination.

**4.4.3 Structural Segregation of Roles (The Institutional Chinese Wall)** Participants that operate both corporate finance advisory desks (arranging debenture issues for corporate cooperatives) and secondary retail distribution networks must implement strict operational, physical, and digital barriers (Chinese Walls):

1. **Data Isolation:** Employees working on corporate underwriting or pricing adjustments must be prevented from sharing non-public, pre-issuance data with retail brokerage clerks or secondary market traders.
2. **Independent Compliance Monitoring:** The Authorized Compliance Officer must maintain a continuous log of all corporate advisory projects and perform daily cross-audits of the firm's proprietary trading accounts to verify that no trading activity is leveraging un-disclosed corporate advisory data.

## 4.5 Client Complaint Resolution Mechanics and Arbitration Portals

**4.5.1 Establishment of Internal Complaints Handling Gates** Every Admitted Participant must maintain an easily accessible, dedicated electronic node within its platform interface allowing clients and individual Cooperators to lodge formal grievances regarding service delivery, execution disputes, or unexpected fee extractions.

**4.5.2 Timelines for Complaint Handling and Resolution Pathways** 1. **Instantaneous Logging:** Upon submission of a grievance by a client, the System will automatically generate a unique, serialized Tracking Ticket, sending copies to the client, the Participant's Compliance Officer, and the CDEX Market Quality Control Desk.

**2. Initial Investigative Window:** The Participant holds a maximum mandate of seven (7) Business Days from the ticket generation timestamp to investigate the dispute, review the electronic system logs, and issue a formal written Resolution Proposal to the client.

**3. The Deadlock Declaration:** If the matter cannot be amicably resolved within fourteen (14) Business Days due to systemic disagreement, either party may formally declare a "Regulatory Deadlock" and escalate the ticket to the Exchange's independent resolution body.

**4.5.3 The CDEX Digital Arbitration Portal 1. Independent Adjudication Panel:** Escalated deadlocks are directed to the CDEX Digital Arbitration Portal, which is overseen by a balanced panel comprising independent legal practitioners, capital market specialists, and senior cooperative executives who hold no operational alignment with the Exchange's proprietary corporate nodes.

**2. Log File Primacy:** The Arbitration Panel will review the unalterable electronic audit trails, Co-op Pay settlement receipts, and `coops.africa` ledger states, which serve as the primary source of truth for all system events.

**3. Binding Enforcement Decrees:** Decisions issued by the Arbitration Panel are binding upon the Admitted Participant and must be executed immediately. If a Participant fails to comply with an award order within forty-eight (48) hours, the Exchange may draw down on the Participant's clearinghouse collateral cushion to compensate the aggrieved client.

**4. Apex Review Rights to SECZ:** In accordance with the provisions of the Act and Section D.1.3 of the Preamble, any client or Participant who remains aggrieved by a final decree issued by the CDEX Arbitration Panel retains the statutory right to appeal the decision directly to the Securities and Exchange Commission of Zimbabwe (SECZ) for final administrative review.

## CHAPTER 5: MARKET TRADING RULES & THE ELECTRONIC ORDER EXECUTION ENGINE

### 5.1 Hours of Trading, Trading Phases, and Market Status Configurations

**5.1.1 Calendar and Business Days of the Exchange** The Co-op Debenture Exchange (CDEX) shall be open for the electronic entry, matching, and settlement of permitted debt instruments on all days designated as Business Days in the Republic of Zimbabwe (typically Monday through Friday), excluding weekends and gazetted public holidays. All system timestamps, execution logs, and clearing house reporting matrices shall operate strictly under Zimbabwe Standard Time (ZST).

**5.1.2 Structured Operational Trading Phases** To ensure an orderly transition of liquidity and eliminate erratic price spikes at market opening and closing nodes, the electronic System shall cycle through the following defined operational phases during each active Business Day:

- 1. Pre-Open Phase (08:30 to 09:00 ZST):** Participants may securely connect via their authenticated API keys or trading terminals to enter, modify, or cancel orders within the Electronic Order Book. During this phase, the Matching Engine logs all inputs and algorithmically calculates a Theoretical Opening Price (TOP) based on overlapping buy and sell volume concentrations, but no active trade executions or matching events shall occur.
- 2. Continuous Trading Phase (09:00 to 15:30 ZST):** The Matching Engine switches to active status. All incoming orders are dynamically matched against existing liquidity layers in real-time based on the hardcoded priority parameters set out in Section 5.3. Executed trades are instantaneously broadcasted to the Co-op Pay settlement switch.
- 3. Market Close Phase (15:30 to 16:00 ZST):** The entering of new execution orders is deactivated. The System isolates unexecuted Day Orders for automatic purging, reconciles the closing volumes to establish the official Daily Settlement Price for each listed fixed-income instrument, and compiles the definitive daily market performance sheets.
- 4. Post-Close and System Maintenance Phase (16:00 ZST onwards):** The Electronic Order Book is placed offline. System engineers and automated ledger daemons perform database indexation, cross-regional data synchronization across secure nodes in Harare and Johannesburg, and push finalized reporting payloads to the Securities and Exchange Commission of Zimbabwe (SECZ).

**5.1.3 Market Status State Configurations** The Compliance Officer or the Market Quality Control Desk, acting through high-level administrative nodes, may toggle or programmatically trigger the following operational states for the entire exchange ecosystem or specific asset categories:

- **Active:** The standard operating parameter where order routing, matching, and clearing proceed without restriction.
- **Halted (Security Halt):** A temporary, mid-session protective intervention where matching is frozen for a specific instrument while order maintenance remains active.

- **Suspended:** An emergency regulatory freeze where all trading, order modification, and ledger allocations for a specific Issuer are entirely blocked pending a formal disciplinary review or structural disclosure event.
- **Closed:** The default end-of-day system configuration where all trading gateways are locked.

## 5.2 Permitted Securities and Debt Instruments

The trading infrastructure operating across the core `coops.africa` digital spine is structurally optimized and restricted to fixed-income capital market instruments, asset-backed obligations, and formalized cooperative debt registries. No equity options, speculative derivatives, or unapproved asset formats may be introduced into the Matching Engine.

### 5.2.1 Commodity-Backed Cooperative Debentures

1. **Instrument Parameters:** These instruments represent institutional fixed-income corporate debt securities issued by registered cooperative unions, agricultural federations, or mining special purpose vehicles (SPVs) listed on the Exchange.
2. **Collateral Integration:** Every Commodity-Backed Debenture must be linked to verified, physical, audited agricultural commodities, strategic mineral inventory, or manufacturing reserves held under licensed third-party collateral management arrangements or registered in terms of the Warehouse Receipts Act

Chapter 18:25

3. **Asset Registry Anchoring:** The face value, maturity yields, coupon payment dates, and underlying security deeds must be formally registered and locked within the CDEX electronic asset registry database prior to secondary market distribution.

### 5.2.2 Micro-scale Fractionalized Corporate Debt Tranches

1. **Institutional Financial Inclusion Mandate:** To cater directly to the localized capital requirements of small-to-medium enterprises and allow individual grassroots Cooperators to participate in institutional debt markets, the Exchange permits the listing of micro-scale corporate debt tranches.
2. **Fractional Electronic Registry Mechanics:** Traditional corporate debt instruments or bond tranches may be subdivided within the System's centralized digital ledger into micro-scale, low-nominal fractional entries (e.g., minimum par configurations down to \$1.00 USD equivalent ledger balances).
3. **Preservation of Legal Class:** Fractionalization is executed purely as an accounting ledger mechanism within the `coops.africa` Automated Registry layer. It does not alter the underlying legal status of the debt instrument, the terms of the master prospectus approved by SECZ, or the collective rights of the tranche holders against the issuing entity.

## 5.3 Order Types, Attributes, and Priority Validation Parameters

**5.3.1 Admitted Electronic Order Types** Participants interfacing with the CDEX execution architecture are permitted to utilize the following specific order types, which are hardcoded into the matching matrix:

1. **Limit Order:** An instruction to buy or sell a specified volume of a debt instrument at a designated price or better. A limit order remains in the Electronic Order Book until filled, cancelled, or expired.
2. **Market Order:** An instruction to immediately execute a buy or sell transaction at the best available prevailing price layer within the current order book. If a market order cannot be completely filled instantaneously due to order book depth constraints, the remaining residual balance is automatically cancelled by the System to protect the participant from extreme execution slippage.
3. **Immediate-or-Cancel (IOC):** An order that must be matched instantly upon arrival at the gateway, either in full or in part. Any remaining unfilled fractional volume is immediately deleted from the order book.
4. **Fill-or-Kill (FOK):** An order that demands absolute, immediate execution of its entire specified volume. If the order book lacks the immediate depth to satisfy the entire quantity at the requested price layer, the entire order is rejected instantly without partial fills.

**5.3.2 Mandatory Order Validation Attributes** Every incoming order payload transmitted to the CDEX Matching Engine must include the following explicit data parameters, or face automatic electronic rejection at the gateway:

- **Participant Identifier:** The verified corporate API key or digital certificate signature of the originating Admitted Entity.
- **Client Account Reference:** The unique, verified client ID or individual Cooperator profile token mapped to the `coops.africa` onboarding registry.
- **Instrument Symbol:** The alphanumeric ticker code of the specific listed debenture tranche.
- **Transaction Direction:** Explicit indication of a Buy or Sell instruction.
- **Volume Counter:** The precise numerical quantity of fractional debt units targeted for transaction.
- **Time-in-Force Metric:** Expiry directives matching strict system rules (e.g., Day Order, Good-Till-Date).

**5.3.3 The Core Principle of Price-Time Priority** The CDEX order book processes all unexecuted limit orders based on a strict, non-discretionary algorithmic rule framework known as **Price-Time Priority**:

1. **Price Dominance:** Orders are sorted primarily based on financial optimization. Buy orders with the highest bid price and sell orders with the lowest offer price shall occupy the absolute apex position of the Electronic Order Book and must be matched first.
2. **Time Precedence:** Where multiple limit orders are entered at identical price points, the orders are queued and matched chronologically based on the precise microsecond timestamp assigned by the central Matching Engine gateway at the moment of successful ingestion. Subsequent modifications to an order's volume (except a reduction in quantity) will strip the order of its chronological priority and push it to the back of that specific price queue.

## 5.4 Operation of the Automated Matching and Execution Engine

**5.4.1 Centralized Algorithmic Execution Architecture** The matching of secondary market transactions on the Exchange is driven exclusively by a zero-discretion, automated computer software matching engine running within the centralized, secure database environments of the `coops.africa` master node. No manual intervention, human broker over-the-counter overrides, or preferential order routing treatments are technically possible within the execution core.

**5.4.2 Pre-Trade Structural Validation Handshake** To prevent settlement defaults, eliminate phantom volume entries, and maintain strict systemic safety parameters, the Matching Engine executes a mandatory, automated, pre-trade structural validation handshake with both the electronic registry and the clearinghouse infrastructure before an order can enter the active matching queue:

1. **Buy Order Verification (Cash Lock):** Upon receipt of an inbound Buy Limit or Buy Market order, the execution engine queries the Co-op Pay Financial Services switch. The clearinghouse instantly verifies that the originating Participant's dedicated clearing account holds sufficient unencumbered cash to cover the gross value of the purchase plus all mandated transaction fees (Schedule A). If verified, Co-op Pay instantly places a programmatic escrow lock on those funds.
2. **Sell Order Verification (Asset Lock):** Upon receipt of an inbound Sell order, the execution engine queries the `coops.africa` central electronic registry. The system verifies that the target client actually holds the declared number of fractional debenture units within their digital balance ledger, and that such units are completely free of liens, freezing injunctions, or prior collateral pledges. If verified, the system applies an immediate registry lock on the assets.
3. **Failure Injunction:** Any order that fails to pass these automated pre-trade capital or asset verification checks is aborted at the gateway, returning an immediate error payload to the Participant.

**5.4.3 Instantaneous Matching and Delivery-versus-Payment Execution** When the Matching Engine identifies an exact mathematical overlap between a valid buy order and sell order under the Price-Time Priority matrix, it executes the trade instantly:

1. **Immutable Database Logging:** The engine logs the execution match across the central database, generating an unalterable, unique Transaction Hash reference.
2. **Simultaneous Asset and Cash Swapping:** The engine issues a simultaneous execution payload to the Co-op Pay clearing switch and the central registry. Operating under strict electronic **Delivery-versus-Payment (DvP)** parameters, the cash escrowed from the buyer is moved to the seller's clearing node, and the asset locked from the seller is transferred to the buyer's electronic ledger portfolio within the same system epoch.
3. **Fee Extraction Integration:** Concurrently, as mandated under Section 1.5.3, the Co-op Pay switch extracts all exchange levies, clearing fees, and SECZ statutory cuts, routing them to the proper regulatory treasury accounts.

## 5.5 Algorithmic, Automated, and Programmatic System-Driven Trading Governance

**5.5.1 Conformance Certification Testing Sandbox** Institutional Intermediaries and Market Makers wishing to deploy programmatic trading scripts, automated asset management algorithms, or external API-driven order routing frameworks to interface with CDEX must first apply for formal system certification.

- The automated software routine must be isolated within the CDEX Technical Sandbox for a continuous testing window of no less than ten (10) Business Days.
- The algorithm must demonstrate flawless message formatting, full compatibility with the pre-trade verification handshake, and absolute error recovery compliance under simulated high-velocity market conditions before active production keys are issued by the Technology Director.

**5.5.2 Prohibitions Against Manipulative Algorithmic Formats** Programmatic and algorithmic systems operating on the Exchange must be designed solely to capture legitimate structural price discrepancies, manage systematic portfolio risks, or provide stabilizing market-making depth. The deployment of predatory, manipulative, or disruptive automated routines is strictly prohibited and constitutes a high-level market abuse crime under the Act:

1. **Spoofing and Layering:** The automated entry of massive volumes of limit orders at various price layers without the genuine intention of execution, executed solely to create a false appearance of market depth or artificially force a price movement, followed by rapid cancellation before matching can occur.
2. **Quote Stuffing:** The deliberate flooding of the CDEX inbound gateways with an extreme, un-executable velocity of programmatic messages or order alterations designed to induce latency loops, jam the communication links of competitor firms, or destabilize the processing speed of the Matching Engine.
3. **Wash Trading Loops:** Programmatic scripts owned or directed by the same beneficial interest that execute continuous matching trades against each other, creating a deceptive illusion of secondary market liquidity and trading velocity to induce retail cooperators into buying into a specific debenture tranche.

**5.5.3 Mandatory Gateway Throttling and Technical Kill Switches** To safeguard the structural uptime of the `coops.africa` ecosystem, the Exchange enforces strict technical guardrails:

1. **API Message Throttle Caps:** Every automated Participant connection shall be restricted to a hard maximum cap of twenty (20) inbound message instructions per rolling second. Excess payloads are automatically dropped at the firewall layer.
2. **The Administrative Kill Switch Rule:** The Compliance Officer and the Systems Administrator maintain real-time access to an administrative master kill switch. If an approved participant algorithm goes haywire due to internal coding errors, feedback loops, or infrastructure desynchronization—threatening market stability—the Exchange may instantly deactivate that participant's API keys, purge all its active unexecuted orders from the book, and re-route the system to safe mode.

## 5.6 Order Cancellation, Trade Rectification, and Error Account Procedures

**5.6.1 Hard Structural Boundaries for Order Cancellation** A Participant may freely delete or modify any active, unexecuted limit order residing inside the Electronic Order Book at any point during the Pre-Open or Continuous Trading phases. However, the precise moment that

the Matching Engine matches a buy and sell order, the transaction shifts into a state of **absolute, binding settlement finality**. Executed trades cannot be cancelled, deleted, retracted, or modified by any user or systemic agent.

### 5.6.2 Maintenance and Operation of Institutional Error Accounts 1. Mandatory

**Account Allocation:** Every Institutional Intermediary must maintain a designated, separate ledger profile within the System explicitly labeled as the "*Participant Error Account*".

2. **Permitted Use Parameters:** The Error Account may only be utilized to absorb financial positions resulting directly from clear, documented administrative omissions, keystroke bugs, or internal order-routing system failures executed by the intermediary's staff (e.g., entering a buy order for 10,000 fractional units instead of a client's written directive for 1,000 units).

3. **Proprietary Risk Absorption:** The mistaken execution volume must be moved out of the innocent client's profile and transferred into the Participant's Error Account. The Participant is legally compelled to absorb any loss resulting from the liquidation of the error position and must never pass the financial impact of its operational errors onto retail cooperators or clients.

**5.6.3 Strict Trade Rectification and Mistrade Discretionary Protocols** If a Participant executes a severe, verifiable erroneous execution within the order book—including pricing entries that deviate drastically from prevailing market reality due to a "fat-finger" typo—the trade cannot be reversed unilaterally. A formal Trade Rectification Application must be filed under the following emergency parameters:

1. **Bilateral Compliance Consent:** The Compliance Officers of both the buying and selling Participants must jointly submit an electronic rectification ticket to the CDEX Market Quality Control Desk within thirty (30) minutes of the matching event timestamp.
2. **Exemplary Proof Requirement:** The applicants must provide indisputable electronic proof (including system logs and client instruction sheets) verifying that the trade was a bona fide technical mistake and that allowing it to stand would severely undermine market integrity or cause systemic insolvency.
3. **Discretionary Resolution Powers:** The Board, in consultation with the Executive Compliance Committee, holds the absolute, final discretion to grant or deny a trade rectification order. If granted, the Exchange will execute a coordinated administrative journal entry to re-allocate the positions between the respective Error Accounts at the original cost basis, logging a comprehensive investigation file that is transparently forwarded to SECZ within forty-eight (48) hours.

## 5.7 Market Disruption Controls, Volatility Interrupters, and Automatic Circuit Breakers

To protect the grassroots financial networks and cooperative entities utilizing the platform from cascading market panics, systematic algorithmic manipulation, or macro-economic shocks, the trading engine enforces multi-layered, automated volatility containment mechanisms.

**5.7.1 Static Price Collars (Daily Boundary Caps)** 1. **Establishment of Boundaries:** At the opening of each Continuous Trading Phase, the System algorithmically applies a strict Static Price Collar around every listed debenture and corporate debt instrument.

2. **Percentage Parameters:** The standard Static Price Collar shall be set at a hard boundary layer of **plus or minus ten percent ( $\pm 10.00\%$ )** calculated directly from the previous session's official Daily Settlement Price.

3. **Instant Rejection Threshold:** Any inbound order containing a limit price that sits outside these upper or lower boundary caps shall be blocked automatically at the gateway by the execution engine, returning a "Price Beyond Permitted Regulatory Bounds" system error.

**5.7.2 Dynamic Volatility Interrupters (Asset-Level Security Halts)** 1. **Intra-Day Velocity Monitoring:** The Matching Engine continuously measures the velocity of price movements for each asset during continuous trading against a moving five-minute rolling reference window.

2. **Trigger Event:** If an inbound order attempts to execute a match that would cause the price of a specific listed debenture tranche to swing by more than **five percent (5.00%)** within a single five-minute rolling interval, the System triggers a **Dynamic Volatility Interrupter**.

3. **Mandatory Security Halt and Auction Transition:** The instrument is instantly shifted into an automated fifteen-minute Security Halt. Continuous matching is blocked, and the asset transitions into a short "Volatility Auction Phase" where orders can be entered or adjusted but not filled. This mechanism breaks systemic momentum, allows Compliance Officers to review for market manipulation, and gives the market time to digest corporate news before restarting active continuous matching.

**5.7.3 Systemic, Market-Wide Circuit Breakers** If the entire exchange ecosystem experiences severe macro-economic stress or a systemic liquidity shock, the infrastructure triggers automated, system-wide market deactivation tiers based on the movement of the benchmark CDEX Cooperative Debt Index:

1. **Circuit Breaker Tier 1 (7.50% Index Decline):** If the overall market index falls by 7.50% from the previous day's close, the trading engine automatically executes a market-wide **Fifteen-Minute Trading Freeze**. All active order matching across all boards is suspended.
2. **Circuit Breaker Tier 2 (15.00% Index Decline):** If trading resumes following a Tier 1 event and the index decline accelerates to reach fifteen percent (15.00%), the system executes a **Thirty-Minute Trading Freeze**. The Exchange Chief Executive must immediately notify the Chairman of SECZ and provide a live market risk diagnostic report.
3. **Circuit Breaker Tier 3 (20.00% Index Decline):** If the market index collapses by twenty percent (20.00%) within a single session, the System executes a **Total Market Closure Order**. All trading operations are terminated for the remainder of the Business Day, and the gateways remain completely locked until a joint regulatory stabilization council is convened between the Board, the Central Bank, and SECZ.

## CHAPTER 6: AUTOMATED REGISTRY, CLEARING, AND SETTLEMENT RULES

### 6.1 Architecture of the Electronic Central Securities Depository and Master Share Registry

**6.1.1 Establishment of the Digital Depository Infrastructure** The Exchange shall maintain a fully dematerialized, cloud-native Central Securities Depository (CSD) and Automated Share Registry embedded within the core digital spine of the `coops.africa` platform network. This depository architecture acts as the single, unassailable, and legally definitive electronic ledger of all debt securities, fractionalized tranches, and commodity-backed debentures issued on the Exchange. Physical certificates or paper documents of title shall possess no legal validity for trading, clearing, or settlement operations within the System.

#### 6.1.2 Immutable Ledger Mechanics and Dematerialization 1. Dematerialization

**Injunction:** Prior to the official listing and secondary market distribution of any debt instrument, the entire issuance must be fully dematerialized and digitally minted into the depository ledger. 2. **Indefeasible Proof of Title:** The electronic record within the CSD shall constitute prima facie and indefeasible proof of ownership, title, and lawful possession of the specified fixed-income units. No third-party claims, un-notified beneficial interest representations, or external paper ledgers shall override the electronic records of the `coops.africa` compliance registry layer. 3. **Cryptographic Validation:** Every registry adjustment, transfer, allocation, or encumbrance command processed within the depository shall be cryptographically signed by the initiating Participant's authorized digital certificate and permanently appended to an unalterable transaction ledger log.

**6.1.3 Segregation of Depository Accounts** The CSD shall maintain strict structural demarcation through two distinct tiers of depository accounts:

1. **Participant Proprietary Accounts:** Dedicated digital wallets holding fixed-income instruments and debentures owned directly by the Admitted Participant's treasury or corporate house account.
2. **Client Omnibuses and Cooperator Sub-Accounts:** Hyper-fragmented electronic ledger accounts segregated down to the individual Cooperator level. Each sub-account must be permanently mapped to a verified National Identity Number and specific SACCO or cooperative union registry profile, ensuring that client holdings are never comingled within the participant's corporate balance sheet.

### 6.2 Clearinghouse Operating Model and Integration with Co-op Pay Financial Services

**6.2.1 Exclusive Designation of the Clearinghouse Switch** Pursuant to the operational blueprint of the platform ecosystem, **Co-op Pay Financial Services (Private) Limited** (hereinafter referred to as "Co-op Pay") is designated as the exclusive, authorized automated clearinghouse switch and transactional processing network for the Exchange. All net clearing, multi-currency ledger adjustments, and transactional funds routing across the platform shall be handled natively through the Co-op Pay infrastructure.



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+
|               SYSTEM SETTLEMENT FINALITY
|
| Transaction Hash Generated; Ownership Officially Changes Natively
|
+-----+
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```

1. **Simultaneous Atomic Swap:** Settlement of both the cash leg and the asset leg of a transaction occurs simultaneously in the same system epoch upon matching. The transfer of fractional debenture units from the seller's depository account to the buyer's depository account is executed if, and only if, the transfer of the corresponding fiat currency or digital funds from the buyer's clearing account to the seller's clearing account is successfully fulfilled.
2. **Instant Settlement Finality:** Once the atomic swap is recorded across the Co-op Pay switch and the `coops.africa` automated registry, the transaction is legally and structurally final, unalterable, and irrevocable. Ownership of the underlying debt asset passes instantly and indefeasibly to the buyer.

**6.3.2 Continuous Processing and Daily Reconciliation Windows**

1. **Continuous Settlement Window (09:00 to 15:30 ZST):** Transactions undergo automated, real-time settlement matching continuously throughout the active session. Monies and assets are swapped, fees are extracted, and sub-account profiles are updated within milliseconds of execution.
2. **End-of-Day Reconciliation Loop (15:30 to 16:00 ZST):** Following the close of continuous trading, the system pauses inbound order flows to execute a global batch reconciliation. The Co-op Pay clearinghouse validates that the aggregate net fiat positions balances held across all platform settlement nodes perfectly balance against the total dematerialized asset volumes locked inside the depository.
3. **Reporting Finalization:** Final daily position states are locked at exactly 16:00 ZST, and immutable settlement confirmation reports are pushed to each Participant's administrative portal.

## 6.4 Accounting Framework for Dynamic Valuation Updates and Price Amortization

**6.4.1 The Dynamic Valuation Engine Matrix** Listed corporate debt tranches and commodity-backed debentures carry variable asset profiles influenced by coupon accruals, principal repayments, or fluctuations in the market value of underlying collateral (such as agricultural commodities or mineral reserves). To ensure information symmetry, the Exchange utilizes an automated **Dynamic Valuation Engine** that continuously updates the benchmark pricing parameters of listed instruments.

**6.4.2 Programmatic Coupon and Interest Amortization**

1. **Linear Accrual Calculations:** For fixed-income debentures that carry structured interest yields or coupon payments, the Dynamic Valuation Engine applies hardcoded linear amortization formulas. The system continuously calculates accrued interest on a daily compound basis (using standard financial count conventions, such as Actual/365 or 30/360, as specified in the instrument's prospectus).
2. **Per-Unit Value Updates:** The current accrued value is dynamically added to the clean par value of the instrument to establish the dirty execution price displayed within the Electronic Order Book. This ensures that secondary market buyers pay, and sellers receive, the precise mathematical value of interest accumulated up to the exact microsecond of transaction

matching. 3. **Automated Interest Distribution:** On designated interest payment dates, the Co-op Pay clearing switch automatically extracts the accrued coupon pool from the Issuer's dedicated treasury debt-service account and distributes the capital pro-rata across the digital wallets of all verified holders registered in the CSD at the record date timestamp.

**6.4.3 Collateral-Backed Value Adjustments** For Commodity-Backed Debentures, the underlying collateral valuation must be audited and adjusted programmatically:

1. **Oracle Pricing Integration:** The Dynamic Valuation Engine ingests verified data payloads from licensed commodity exchanges, warehouse receipt registries, or independent mineral valuation desks at regular intervals.
2. **Collateral Coverage Alerts:** If the market value of the underlying crop or asset collateral drops below the mandated coverage ratio specified in the listing agreement, the system automatically marks the debenture profile with a "Collateral Variance Warning" tag, adjusts its base asset valuation layer, and restricts the Issuer from drawing down further capital tranches until the collateral cushion is replenished.

## 6.5 Management of Settlement Defaults, Buy-In Frameworks, and Liquidity Risk Mitigation

**6.5.1 Structural Prevention of Defaults Through Pre-Trade Isolation** By virtue of the automated pre-trade validation handshakes mandated under Section 5.4.2, where cash and assets are algorithmically checked and locked in escrow *prior* to entering the Matching Engine, standard transactional settlement failure is structurally minimized. However, edge-case operational defaults—including systematic technical desynchronization, post-execution clearing bank rejections, or failures of corporate action fundings—shall be governed strictly under this Section.

**6.5.2 Mandatory Buy-In Implementation Framework** If a Participant fails to fulfill an essential asset delivery obligation or a corporate action payout due to system anomalies or localized corporate insolvency, the Exchange Compliance Desk shall immediately initiate the **Mandatory Buy-In Framework**:

1. **The Default Notice Injunction:** The Exchange shall issue an automated, system-level Default Notice to the defaulting Participant at precisely 16:05 ZST on the day of the settlement anomaly, imposing an immediate administrative penalty fine matching the provisions of Schedule A.
2. **The Execution Timeline:** If the default is not technically rectified or cured by the Participant within a maximum window of one (1) Business Day following the notice timestamp (T+1), the Exchange Market Quality Control Desk shall directly assume control of the transaction pipeline.
3. **Open Market Purchase Actions:** The Exchange shall deploy its automated administrative matching terminal to execute a mandatory buy-in purchase of the required debenture units directly from the active Electronic Order Book at the best prevailing market price.
4. **Capital Drawdown Sequence:** The capital required to fund the buy-in purchase, along with all associated transaction fees and execution premiums, shall be drawn down directly from the following sources, in strict cascading sequence:
  - *First Tier:* The defaulting Participant's locked operational cash balances held within the Co-op Pay clearinghouse network.

- *Second Tier:* The liquidation of high-quality collateral cushions or liquid asset reserves pre-pledged by the Participant upon membership onboarding.
- *Third Tier:* Structural claims lodged against the Participant's corporate balance sheet or bank guarantee facilities.

**6.5.3 Liquidity Risk Containment and Emergency Collateral Pooling**

**1. Mandatory Pre-Funded Collateral Cushions:** To shield the platform network from unexpected systemic liquidity constraints, every Primary Clearing Participant and Institutional Intermediary must maintain a pre-funded liquidity cushion within their Co-op Pay clearing node. The exact volume of this cushion is dynamically adjusted by the Risk Desk based on the Participant's rolling rolling seven-day average transaction velocity.

**2. Emergency Position Close-Out Rules:** If a Participant's internal capital indicators break structural safety bounds, or if they fail to cover a buy-in obligation, the Board holds the absolute authority to order an immediate administrative close-out of all open proprietary positions held by that entity.

**3. Fidelity Fund Recourse:** In the extreme and unprecedented event that a default completely exhausts a Participant's entire pre-funded clearing balances and collateral guarantees, the Exchange Trustees shall authorize a temporary capital drawdown from the CDEX Fidelity Guarantee Fund (Section 3.5) to compensate innocent buying counterparties, ensuring absolute systemic continuity and the uninterrupted maintenance of public market confidence.

# CHAPTER 7: MARKET SURVEILLANCE, INTEGRITY, AND INSIDER TRADING PROHIBITIONS

## 7.1 Systemic Prohibitions Against Market Manipulation

The integrity of secondary market transactions conducted across the Co-op Debenture Exchange (Private) Limited (CDEX) digital ecosystem is protected by strict compliance protocols. All Participants, Admitted Entities, and platform users interacting with the `coops.africa` digital financial network are subject to the market abuse provisions outlined in the Securities and Exchange Act [Chapter 24:25] of Zimbabwe. The deployment of any manual, programmatic, or algorithmic system designed to distort fair price discovery, obscure true liquidity levels, or compromise market transparency is strictly prohibited.

### *7.1.1 Insider Trading, Undisclosed Information Leaks, and Incompatible Dealings*

1. **Definition of Inside Information:** Pursuant to the Securities and Exchange Act [Chapter 24:25], inside information constitutes any specific, non-public, material information relating to a listed corporate debt tranche, commodity-backed debenture, or issuing cooperative society that, if made public, would significantly influence the asset's valuation or execution price within the Electronic Order Book.
2. **Prohibition of Insider Trading:** No institutional insider—including the Founding Directors (William Gonyora and Anthony Beloved Parehwa), executive staff of underlying value chain subsidiaries such as allWomen Connect, SACCO board members, external auditors, or technology administrators—shall execute trades or enter orders, directly or indirectly, for their own account or on behalf of third parties, using Material Non-Public Information (MNPI).
3. **Information Leaks and Tipping Bars:** Insiders are structurally barred from leaking undisclosed material developments—including imminent adjustments to the Dynamic Valuation Engine, structural shortfalls in physical commodity collateral reserves, or pending regulatory enforcement actions by the Securities and Exchange Commission of Zimbabwe (SECZ)—to external parties, proxies, or market intermediaries.
4. **Incompatible Dealings Freeze:** The Compliance Desk is empowered to enforce an immediate transactional freeze on any account, user profile, or API gateway node flagged for executing trades that overlap with highly sensitive, unreleased corporate or material operational announcements.

### *7.1.2 False Trading, Wash Sales, Market Cornering, and Front-Running*

1. **False Trading and Market Appearance Manipulation:** No Participant shall engage in transaction structures designed to create a false or misleading appearance of active trading velocity, volume concentration, or capital demand for any listed debt security on the platform.
2. **Wash Sales:** The entry of matching buy and sell orders for the same beneficial interest, where no genuine transfer of market risk or economic ownership occurs, is strictly prohibited. The `coops.africa` core consensus codebase maintains an automated internal check that instantly drops overlapping buy and sell payloads originating from identical or associated unique user identifiers (UIDs).

3. **Market Cornering and Asset Hoarding:** Participants are prohibited from intentionally cornering or monopolizing the available secondary market supply of a specific fractional debt tranche or its underlying physical warehouse receipts. This restriction prevents the artificial inflation of liquidation values and protects grassroots cooperators from unfair pricing squeezes.
4. **Front-Running Prohibitions:** Intermediaries, platform nodes, and technical clearers (such as Co-op Pay Financial Services ) who gain advanced visibility into unexecuted client orders, bulk SACCO sweeps, or institutional rebalancings are strictly prohibited from entering matching proprietary orders ahead of the client's payload to harvest risk-free execution slippage.

### 7.1.3 Dissemination of False, Misleading, or Biased Market Materials

1. **Information Integrity Anchors:** To protect the network from artificial volatility, no entity or platform participant shall formulate, publish, or disseminate misleading data payloads, biased promotional reports, or unverified asset evaluations.
2. **Dynamic Engine Defenses:** This prohibition specifically targets any fraudulent actions intended to manipulate the inputs of the Dynamic Pricing Engine—such as reporting false Net Asset Values (NAV), inflating Annual Platform Transaction Volumes, or fabricating commodity verification certificates.
3. **Systemic Sanctions:** Any user or entity found purposefully engineering false narratives to induce retail cooperators into purchasing or liquidating debenture tranches shall face immediate platform suspension, asset lockups, and formal criminal referral to the SECZ enforcement directorate.

## 7.2 Deployments of the Real-Time Market Surveillance and Alert Systems

**7.2.1 Algorithmic Heuristic Surveillance Integration** The core technical infrastructure of CDEX incorporates a continuous, zero-discretion automated surveillance layer running natively inside the matching engine environment. This framework programmatically scans every inbound message, order entry, modification parameter, and execution event across the `coops.africa` platform network to identify toxic flow patterns and anomalous structural behaviors.

**7.2.2 Live Parametric Alert Thresholds** The automated surveillance engine utilizes calibrated heuristic matrices to instantly trigger real-time compliance alerts whenever the following operational limits are breached:

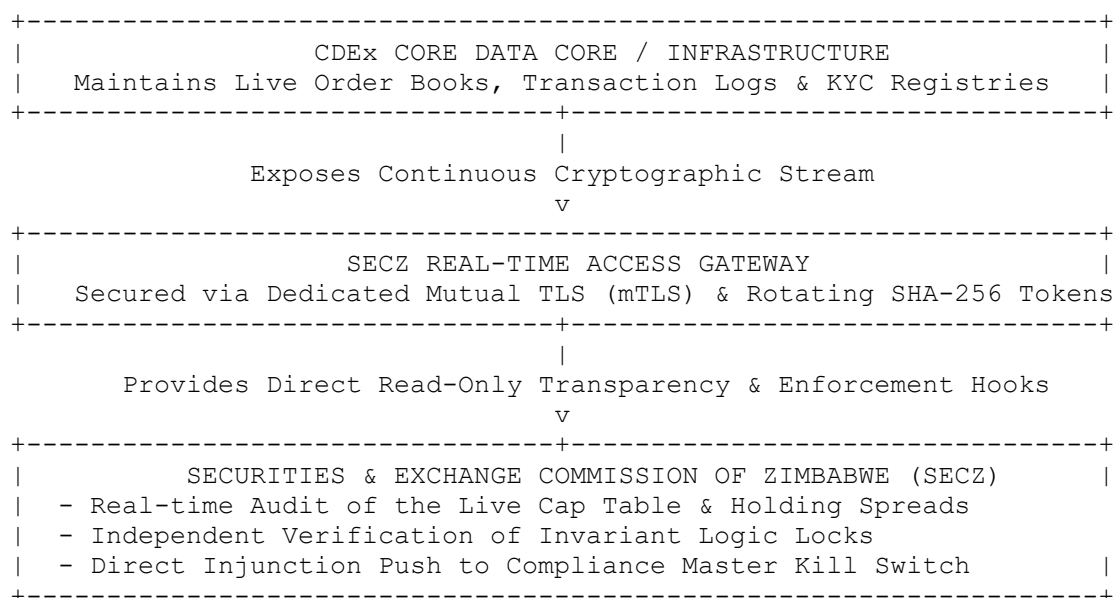
- **Order-to-Trade Ratio (OTR) Deviations:** Programmatic tracking of automated accounts whose order entry and cancellation velocity outpaces real execution rates, signaling potential quote stuffing or spoofing cycles.
- **Price Continuity Divergence:** Real-time flagging of transactions that bypass standard order book depth layers or occur at values separating drastically from the moving reference averages computed by the Dynamic Valuation Engine.
- **Volume Concentration Spikes:** Instantaneous alerts triggered if an individual participant profile or regional SACCO hub accounts for an anomalous percentage of an asset's daily liquidity pool without prior institutional justification.

**7.2.3 Automated Mitigation and Systemic Escalation States** Upon triggering a high-level parametric alert, the system shifts through automated protective sequences:

1. **Level 1 (Soft Flag):** The target user profile or API key is tagged for manual oversight by the Market Quality Control Desk, and all subsequent order payloads undergo deep inspection loops.
2. **Level 2 (Hard System Freeze):** If the anomalous velocity or manipulative signature threatens the structural processing uptime of the matching node, the system programmatically activates an isolated gateway block, revoking the offending participant's active production keys and purging their unexecuted limit entries from the Electronic Order Book.

### 7.3 Regulatory Access Gates: Provision of Read-Only Audit and Enforcement APIs to SECZ

**7.3.1 Enforcing the Regulator Comfort Provision Bridge** To satisfy the regulatory transparency requirements enforced by the Securities and Exchange Commission of Zimbabwe (SECZ) and ensure compliance with the Securities and Exchange Act [Chapter 24:25] , the platform exposes a secure, permanent, read-only compliance dashboard API node linked directly to the regulator’s surveillance infrastructure.



**7.3.2 Cryptographic Data Access Streams** The regulatory API operates under strict cryptographic and technical specifications:

1. **Authentication Framework:** Access is locked via a dedicated Mutual TLS (mTLS) configuration utilizing custom digital certificates issued and verified by the platform’s security team, supplemented by rotating SHA-256 system access tokens.
2. **Live Data Scope:** The stream provides the regulator with unfiltered, real-time access to the live corporate cap table, individual share concentration counts, chronological matching logs, and un-hashed customer verification records. This setup allows the regulator to audit compliance with individual share micro-caps on a continuous basis.
3. **Zero-Latency State Verification:** SECZ surveillance teams can verify that the hardcoded programmatic invariant logic locks—such as the founder dilution protection floors and the absolute user concentration limits—remain uncompromised at the bytecode execution level.

**7.3.3 Integrated Regulatory Enforcement Hooks** In addition to data visibility, the regulatory access gate contains secure programmatic hooks that allow SECZ to intervene during major market disruptions or legal investigations:

1. **Direct Halt Requests:** The regulator can push an automated enforcement ticket through the API node to request a targeted asset suspension or an immediate market-wide freeze.
2. **Compliance Master Overrides:** Upon receiving an authenticated, signed judicial or commission injunction payload, the platform's administrative kill switch can be instantly triggered via the API gateway to isolate investigated funds or block compromised routing channels.

## **7.4 Institutional Reporting Protocols for Unusual Market Behaviour and Suspicious Transactions**

**7.4.1 Mandatory Monitoring and Internal Logging Mandates** Every Institutional Intermediary, Primary Clearing Participant, and value chain subsidiary (including Co-op Pay Financial Services and the Institute of Cooperative Management ) is required to maintain internal risk-monitoring logs. These logs must capture any financial or transactional behavior that departs from standard historical parameters, lacks clear economic purpose, or indicates potential regulatory non-compliance.

**7.4.2 Suspicious Transaction Report (STR) Timeline Framework**

1. **Immediate System Flagging:** The moment an internal risk desk or automated surveillance alert identifies a high-probability market abuse incident or illicit funding pattern, the target account profile must be placed in a restricted suspense state.
2. **Formal Filing Window:** The Participant or Compliance Officer must compile a comprehensive Suspicious Transaction Report (STR) and submit the document payload to the SECZ Inspectorate and the Financial Intelligence Unit (FIU) of the Reserve Bank of Zimbabwe within twenty-four (24) hours of the initial system flag.
3. **Data Payload Requirements:** Every STR must include complete identity records, unalterable system logs of the offending order entries, associated transaction hashes, and a detailed diagnostic overview of the manipulative or abusive pattern detected.

### **7.4.3 Anti-Tipping-Off Safeguards and Whistleblower Protection**

1. **Absolute Confidentiality Injunction:** No Participant, executive director, or technical administrator shall disclose to an investigated user or any un-authorized external entity that an STR has been compiled, submitted, or programmatically queried through the regulatory API node.
2. **Safe Harbor Protections:** Any compliance professional, SACCO manager, or network informant who logs an automated alert or files an STR in good faith shall be fully insulated from civil, criminal, or corporate administrative liabilities. Their professional standing and identity shall remain strictly confidential, protected under the definitive legal architecture of the master governance framework.

## CHAPTER 8: SYSTEM INTEGRITY, CYBERSECURITY, AND BUSINESS CONTINUITY

### 8.1 Operational Specifications for the Core coops.africa Electronic Architecture

**8.1.1 Foundational Architecture Mandate** The central operating framework of the Co-op Debenture Exchange (Private) Limited (CDEX) relies on the core coops.africa electronic platform architecture. This cloud-native distributed architecture must be engineered, maintained, and optimized to execute high-volume, low-latency fixed-income matchings, atomic clearing configurations, and fractional registry updates securely.

#### 8.1.2 High-Availability Systems and Performance Benchmarks 1. System Uptime

**Directive:** The coops.africa core engine and its matching components must achieve a continuous operational uptime benchmark of no less than ninety-nine point nine nine percent (99.99%), calculated on a rolling annual basis. This standard excludes scheduled, non-session system maintenance windows approved by the Technology Director and notified to Participants forty-eight (48) hours in advance.

**2. Throughput and Micro-Settlement Processing:** The execution core must support parallel processing capabilities to handle massive micro-settlement volumes from regional SACCO networks simultaneously. The transaction processing speeds must remain under a baseline latency tier of fifty (50) milliseconds per execution payload, avoiding system queues or ledger desynchronization during high-volume sessions.

**3. Low-Latency Infrastructure Node Integration:** Pursuant to institutional control agreements, the core exchange matching engine must maintain direct, high-speed, secure communication channels with its critical infrastructure nodes. This includes **Co-op Pay Financial Services (Private) Limited** for clearing operations, **allWomen Connect** for participant data portals, the **Co-op Pay Store**, and the **Institute of Cooperative Management**.

**8.1.3 Ledger Invariant Logic Enforcements** The system architecture must hardcode systemic invariant logic filters directly into the bytecode execution layer. These structural rules—including founder dilution protections and automated capital allocation constraints—cannot be modified, bypassed, or overwritten by any manual administrative override without compiling a new, audited version of the core platform code approved by the Board and SECZ.

### 8.2 Cybersecurity Frameworks, Data Privacy, and Asset Safeguarding Standards

**8.2.1 Statutory Cybersecurity Compliance** The Exchange shall implement, govern, and continuously update a comprehensive Cybersecurity Program. This program must comply fully with the provisions of the Cyber and Data Protection Act

Chapter 12:07

of Zimbabwe, alongside regional digital financial security standards.

**8.2.2 Advanced Cryptographic Encryption Standards** To protect the integrity of financial data and asset registries across the network, the platform must enforce strict encryption protocols:

1. **Data-at-Rest Protection:** All structural databases, client verification registries, transaction historical files, and private identity records stored within the `coops.africa` network must be secured using Advanced Encryption Standard 256-bit (AES-256) keys.
2. **Data-in-Transit Protection:** Any data payload, order routing message, or settlement confirmation moving across public communication links or external API endpoints must be encrypted using Transport Layer Security (TLS 1.3) protocols.
3. **Mutual Authentication (mTLS):** Direct linkages with clearing banks, regulatory nodes, and institutional brokers must utilize Mutual TLS configurations backed by dedicated corporate digital certificates to eliminate man-in-the-middle exploits.

**8.2.3 Zero-Trust Access Architectures and Asset Safeguarding 1. Role-Based Access Control (RBAC):** Administrative privileges inside the core system environments are governed by a strict zero-trust, least-privilege model. Technical administrators are granted access only to the specific technical views required to fulfill their duties.

2. **Mandatory Multi-Factor Authentication (MFA):** No system entry, participant login, or API key configuration modification shall be processed without passing multi-factor validation checks, including cryptographic hardware tokens or biometric identity passes.

3. **Digital Vaulting for Financial Assets:** Dematerialized debentures, commodity-backed registry entries, and clearing cash balances managed via the Co-op Pay network are secured inside programmatically isolated digital vaults. These vaults feature hardcoded time-locks and multi-signature authorization scripts requiring split approvals from independent compliance and technical nodes before large capital movements can occur.

**8.2.4 Continuous Vulnerability Management and Penetration Audits** The Market Quality Control Desk must execute automated vulnerability scans across all external network surfaces daily. Furthermore, the Board shall retain an independent, SECZ-approved cybersecurity firm to perform comprehensive, adversarial penetration testing exercises semi-annually. The full unedited findings of these safety stress tests shall be forwarded directly to the SECZ Inspectorate within five (5) Business Days of completion.

### 8.3 IT Infrastructure Redundancy, Hot-Site Failover Controls, and Offsite Secure Nodes

**8.3.1 Fully Redundant Multi-Jurisdictional Node Distribution** To insulate the pan-African cooperative capital market from localized grid failures, connectivity disruptions, or regional geopolitical risks, the `coops.africa` infrastructure is distributed across fully redundant, end-to-end encrypted backup nodes deployed across multiple regional jurisdictions.

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|                                     PRIMARY DATA CENTRE: HARARE                                     |
|   Active Production Core; Handles Live Matching & Real-Time DvP   |
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**8.4.2 Disaster Recovery Activation Protocols 1. The Crisis Declaration:** If a Force Majeure event compromises both the primary and secondary hot-site failover networks, the Chief Executive Officer, in coordination with the Technology Director, shall issue a formal *System Disaster Declaration Injunction*.

**2. Transition to Safe Mode:** The platform instantly switches into a protective Safe Mode state. All active incoming order routing configurations are deactivated, and unexecuted limit orders inside the Electronic Order Book are safely purged to avoid erratic executions upon system restart.

**3. Registry Preservation Actions:** System operations focus on restoring the central securities depository registry from the latest authenticated cryptographic snapshots stored across the offshore cold nodes. This ensures that individual cooperator asset weights remain accurate and free from data corruption.

**8.4.3 Emergency Regulatory Powers of the Board** During a declared System Disaster or market emergency, the Board of Directors—acting in alignment with its foundational governance charter—is granted extraordinary operational powers to preserve market stability:

- 1. Extraordinary Session Suspension:** The Board may order an indefinite suspension of trading operations, clearing cycles, and debenture listing processes for a period of up to fourteen (14) Business Days without prior SECZ authorization, provided that such authorization is sought within twenty-four (24) hours of the suspension order.
- 2. Administrative Settlement Corrections:** In cases where physical commodity collateral backing listed debentures is destroyed by a natural disaster, the Board holds the power to freeze secondary market trading for those specific instruments and modify clearing rules to allow for managed financial restructuring or insurance-payout liquidations.
- 3. Offsite Operational Relocation:** The Board may authorize the immediate transfer of all administrative control keys, clearing validation desks, and compliance oversight operations to mobile secure backup facilities or authorized regional offices outside the affected disaster zone.

**8.4.4 Regulatory and Public Notification Mandates 1. Immediate Regulator Notice:**

Upon activating emergency powers or transitioning to Disaster Recovery mode, the Compliance Officer must provide a direct, comprehensive diagnostic notification payload to the SECZ Chairman and the Financial Intelligence Unit within one (1) hour.

**2. Public Communication Bridge:** The Exchange shall maintain alternative communication channels via the `coops.africa` broadcast nodes to provide public status reports to participating SACCOs, institutional brokers, and individual cooperators every six (6) hours during an outage. These updates will outline system remediation progress, registry preservation states, and projected market reopening schedules.

## CHAPTER 9: COMPLIANCE ENFORCEMENT, INVESTIGATIONS, AND DISCIPLINARY PROCEEDINGS

### 9.1 Investigative Powers of the Exchange Inspectorate, Right of Audit, and Data Demands

#### 9.1.1 Statutory Appointment and Jurisdiction of the Inspectorate

1. **Establishment of the Inspectorate:** The Board shall maintain a fully autonomous Exchange Inspectorate (the "Inspectorate") operating as a specialized internal oversight and forensic unit managed directly by the Chief Compliance Officer.
2. **Statutory Alignment:** Pursuant to Sections 101 and 102 of the Securities and Exchange Act [Chapter 24:25] of Zimbabwe, the Inspectorate is empowered to monitor, investigate, and audit all Admitted Participants, Institutional Intermediaries, Issuing Cooperatives, and technical service providers interacting with the `coops.africa` network.
3. **Scope of Investigation:** The Inspectorate's jurisdiction extends to any suspected or actual contraventions of the Exchange Listing Rules, market manipulation infractions, prudential capital shortfalls, or threats to system integrity, alongside enforcement of compliance with the Cyber and Data Protection Act [Chapter 12:07] and anti-money laundering frameworks.

#### 9.1.2 Unrestricted Right of Audit and On-Site Verification

1. **Continuous Ledger Visibility:** The Inspectorate holds an absolute, un-notified, and continuous right of audit over all digital infrastructure environments, matching logs, order-routing channels, and software configurations operated by platform participants.
2. **Subsidiary Node Access:** This right of access applies directly to transactional flow trails handled by **Co-op Pay Financial Services (Private) Limited** and training portals managed under the **Institute of Cooperative Management**.
3. **Physical and Electronic Inspections:** Investigators may enter a Participant's corporate offices or network hosting zones during business hours without prior notice to inspect trading terminals, query hardware databases, and review local system logs.

#### 9.1.3 Forensic Data Payload Demands

1. **Issuance of Data Demands:** The Chief Compliance Officer may issue an electronic *Forensic Data Demand* to any platform user or entity. Upon receipt, the recipient must provide un-hashed transaction records, system configuration files, cryptographic token tracking trails, or internal employee communication logs.
2. **Compliance Window:** All requested information must be submitted via a secure, end-to-end encrypted compliance upload node within twenty-four (24) hours of the demand timestamp.
3. **Sanctions for Non-Compliance:** Any deliberate failure to provide data, withholding of network credentials, or altering of electronic evidence shall trigger an immediate Level 2 Hard System Freeze, revoking the entity's production keys and suspending all active gateway access slots on the `coops.africa` platform.

## 9.2 Establishment, Composition, and Independence of the CDEX Disciplinary Committee

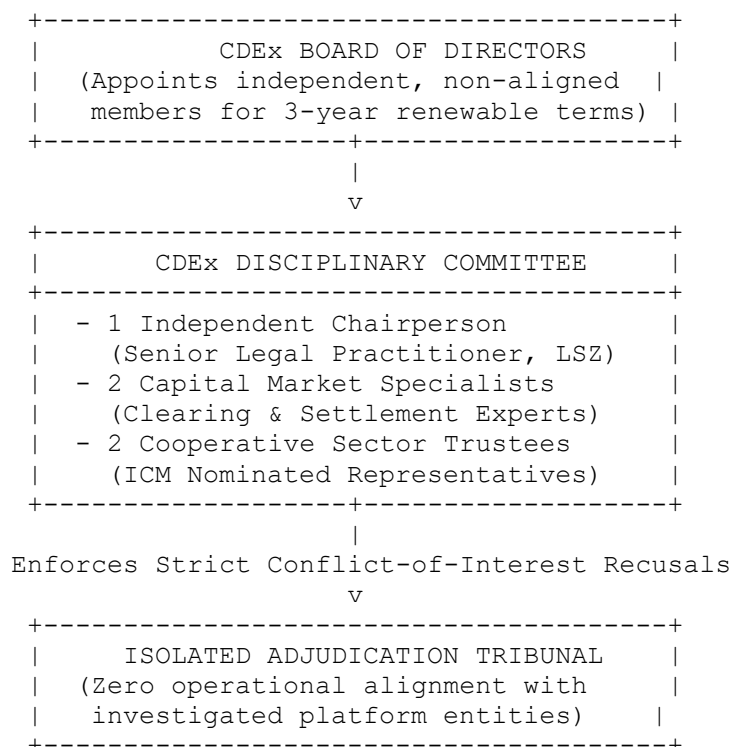
### 9.2.1 Establishment and Structural Mandate

To ensure an unbiased, objective, and legally sound enforcement framework, the Board hereby establishes the **CDEX Disciplinary Committee** (the "Disciplinary Committee"). The Committee shall act as the primary internal tribunal of the Exchange, responsible for hearing, adjudicating, and penalizing violations investigated and formally charged by the Inspectorate.

### 9.2.2 Balanced and Independent Composition

The Disciplinary Committee shall consist of five (5) members appointed by the Board for a renewable three-year tenure, structured to guarantee professional competency and complete structural independence:

- **The Chairperson:** A senior legal practitioner registered with the Law Society of Zimbabwe with at least ten (10) years of experience in corporate law, financial services regulation, or administrative justice.
- **Capital Market Specialists:** Two (2) independent experts possessing deep practical knowledge of clearinghouse mechanics, automated matching engines, and fixed-income settlement systems.
- **Cooperative Sector Trustees:** Two (2) senior executives from the cooperative movement or independent compliance advisors recommended by the Institute of Cooperative Management, who hold no active operational ties or equity ownership in the proprietary corporate nodes of the Exchange or the specific entities under investigation.



### 9.2.3 Conflict of Interest Mitigation and Absolute Recusal

1. **Mandatory Declaration:** Every member of the Disciplinary Committee must file a complete declaration of interest prior to the commencement of any case or scheduled hearing session.
2. **Strict Recusal Protocols:** No member may sit on a panel or view case materials if they possess any commercial connection, familial relationship, or professional affiliation with the target Participant, the complainant, or associated value chain subsidiaries. This restriction explicitly prevents any cross-over with the personal portfolios of the Founding Directors or active management staff.

## 9.3 Formality of Accusations, Due Process Standards, and Hearing Procedures

### 9.3.1 Formality of Accusations and Service of Charge Sheets

1. **Formulation of Charges:** If the Inspectorate uncovers sufficient evidence of a rule infraction, the Chief Compliance Officer shall draft a formal electronic *Disciplinary Charge Sheet and Notice of Hearing*.
2. **Delivery Vector:** The document payload must be served directly via the Participant's authenticated administrative portal node on the `coops.africa` platform.
3. **Minimum Content Inclusions:** Every Charge Sheet must clearly outline:
  - The specific Exchange Listing Rules or regulatory provisions allegedly violated.
  - A chronological breakdown of the facts, including relevant transaction hashes, timestamps, and network UIDs.
  - The electronic evidence, audit trails, and data payloads supporting the accusation.
  - The designated date, time, and secure video link for the formal hearing.

### 9.3.2 Enforcements of Due Process and Natural Justice

All proceedings before the Disciplinary Committee shall be conducted in strict accordance with the principles of natural justice and procedural fairness, as recognized under Zimbabwean administrative law and Section 105 of the Securities and Exchange Act [Chapter 24:25]:

1. **Adequate Preparation Windows:** The respondent Participant shall have a minimum of ten (10) Business Days from the service timestamp of the Charge Sheet to compile their defense, formulate legal arguments, and upload supporting materials to the compliance portal.
2. **Right to Legal Representation:** The respondent has the right to be represented by legal counsel of their choice, provided such counsel is a duly registered legal practitioner entitled to practice in the courts of Zimbabwe.
3. **Evidentiary Presentation and Cross-Examination:** Both the Inspectorate and the respondent are entitled to call operational witnesses, introduce technical systems analysts, present digital forensic exhibits, and cross-examine any opposing witnesses during the session.

### 9.3.3 Virtual Hearing Operating Procedures

1. **Digital Tribunal Rooms:** To ensure efficient cross-border dispute resolution across regional cooperative hubs, hearings shall be hosted natively within secure, encrypted digital video conferencing rooms integrated into the `coops.africa` platform.
2. **Forensic Record Keeping:** The entire session must be recorded digitally. An unedited verbatim text transcript and a secure video archive must be generated, cryptographically hashed, and permanently linked to the case database file for future appellate review.

## 9.4 Schedule of Graduated Sanctions, Institutional Fines, and Forfeiture Vectors

### 9.4.1 The Principle of Proportionality

The Disciplinary Committee shall calibrate all penalties, adjustments, and institutional restrictions to match the severity, frequency, systemic risk exposure, and financial impact of the proven violation.

### 9.4.2 Categorized Sanctions Matrix

| Sanction Tier                                               | Nature of Infraction                                                                                                                                                        | Maximum Financial Penalty                                                               | Operational Restrictions                                                                                                                         |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Tier 1: Minor Administrative Non-Compliance</b>          | <ul style="list-style-type: none"> <li>• Late filing of quarterly financial reports.</li> <li>• Routine data-sync errors.</li> <li>• Minor procedural omissions.</li> </ul> | Up to <b>\$2,500 USD equivalent</b> per event or day of continued default.              | <ul style="list-style-type: none"> <li>• Formal written reprimands.</li> <li>• Mandatory procedural corrections within five (5) days.</li> </ul> |
| <b>Tier 2: Severe Operational &amp; Prudential Breaches</b> | <ul style="list-style-type: none"> <li>• Failure to maintain liquid capital requirements.</li> </ul>                                                                        | Up to <b>\$50,000 USD equivalent</b> or double the value of the affected asset tranche. | <ul style="list-style-type: none"> <li>• Temporary suspension of trading access (up to 90 days).</li> </ul>                                      |

| Sanction Tier                                                        | Nature of Infraction                                                                                                                                                                  | Maximum Financial Penalty                                                                              | Operational Restrictions                                                                                                                                                                                                         |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      | <ul style="list-style-type: none"> <li>• Comingling client trust balances.</li> <li>• Violating the 10-share micro-cap rule.</li> </ul>                                               |                                                                                                        | <ul style="list-style-type: none"> <li>• Monitored remediation plans.</li> <li>• Compulsory suspension of marketing privileges.</li> </ul>                                                                                       |
| <p><b>Tier 3: Systemic Market Abuse &amp; Integrity Failures</b></p> | <ul style="list-style-type: none"> <li>• Insider trading or front-running.</li> <li>• Wash sales and market manipulation.</li> <li>• Uploading fraudulent collateral data.</li> </ul> | <p>Up to <b>\$250,000 USD equivalent</b> or the total illicit financial gain, whichever is higher.</p> | <ul style="list-style-type: none"> <li>• Permanent revocation of production keys.</li> <li>• Complete cancellation of platform trading licenses.</li> <li>• Lifelong blacklisting of directors and senior executives.</li> </ul> |

### 9.4.3 Forfeiture Vectors and Automated Fund Extractions

1. **Settlement Windows:** All institutional fines and cost recovery orders levied by the Disciplinary Committee must be settled within seven (7) Business Days of the final written decree.
2. **Automated Clearinghouse Drawdowns:** If a penalized Participant fails to clear their financial penalty within the mandated window, the Exchange Compliance Desk shall execute an automated forfeiture command through the Co-op Pay network.
3. **Collateral Cushion Liquidation:** This command draws down the required funds directly from the Participant’s pre-funded liquidity cushions, operational cash balances, or liquid asset reserves pre-pledged upon onboarding. This ensures the

prompt settlement of penalties without requiring external debt collection interventions.

## 9.5 Appeals Board Framework and Review Channels to SECZ Regulatory Tribunals

### 9.5.1 Establishment and Jurisdiction of the CDEX Appeals Board

1. **The Appeals Board:** The Board shall establish a standing **CDEX Appeals Board** (the "Appeals Board") consisting of three (3) independent legal and financial professionals who have had no prior involvement with the matter under review or the lower Disciplinary Committee proceedings.
2. **Right of Appeal:** Any Participant, Admitted Entity, or executive officer aggrieved by a final conviction decision, administrative restriction, or penalty order issued by the Disciplinary Committee holds a contractually protected right to lodge an appeal.

### 9.5.2 Timelines and Formal Requirements for Appeal Lodging

1. **Filing Window:** A formal *Notice of Appeal Application* must be submitted electronically through the compliance portal within fourteen (14) Business Days from the timestamp of the Disciplinary Committee's final written judgment.
2. **Grounds of Appeal:** The application must explicitly state the grounds for the appeal, focusing on perceived misinterpretations of the rulebook, procedural irregularities during the hearing, or disproportionate application of penalties.
3. **Filing Fees:** Every appeal application must be accompanied by the pre-specified Appeal Deposit Fee as set out in Schedule A. This fee is fully refundable if the lower tribunal's decision is overturned or substantially amended in favor of the appellant.

### 9.5.3 Review Parameters and Status of Sanctions Pending Appeal

1. **Record-Based Review:** The Appeals Board shall evaluate cases purely on the basis of the compiled electronic records, verbatim transcripts, and digital evidence exhibits generated during the original lower hearing. No new evidence or witness presentations shall be admitted unless the appellant demonstrates that such material was structurally impossible to uncover during the initial investigation phase.
2. **Status of Sanctions:** The lodging of an appeal **does not** automatically suspend or pause the enforcement of any trading halt, Level 2 freeze, or operational restriction imposed by the Disciplinary Committee. The appellant must secure an explicit, signed *Interim Stay Order* from the Chairperson of the Appeals Board, which shall only be granted upon showing clear evidence of imminent, irreparable systemic damage or corporate insolvency.

### 9.5.4 Statutory Review Channels to SECZ Regulatory Tribunals

1. **Statutory Escalation:** In strict accordance with the Securities and Exchange Act [Chapter 24:25], any party remaining aggrieved by a final appellate decree issued by the CDEX Appeals Board retains an absolute statutory right to appeal the decision directly to the **Securities and Exchange Commission of Zimbabwe (SECZ)**.

2. **Filing Timeline with the Regulator:** The statutory appeal payload must be formally lodged with the SECZ inspectorate within twenty-one (21) days of the Appeals Board's decree timestamp.
3. **Final Administrative Gate:** The SECZ regulatory tribunal serves as the final administrative review authority for the market infrastructure, ensuring comprehensive external oversight before any subsequent escalation to the High Court of Zimbabwe.

# SCHEDULE A: STATUTORY SCHEDULE MARKET FEES, TRANSACTION LEVIES, AND SECZ DUES

## A.1 Foundational Charging Principles and Algorithmic Collection

**A.1.1 Zero-Discretion Automated Fee Splitting** All primary market listing charges, secondary market transaction fees, clearing **हार्डवेअर** switches, and regulatory dues applicable to operations on the `coops.africa` electronic platform are programmatically governed and processed. Pursuant to institutional control pacts, the execution engine does not allow manual invoicing or deferred billing. Instead, the transaction processing layers of **Co-op Pay Financial Services (Private) Limited** calculate, extract, and distribute all fee allocations in real-time at the millisecond of execution payload settlement.

**A.1.2 The 15% Passive Equity-Funding Redirection Engine** In strict compliance with Article 3.4 and Article 7.3 of the Master Shareholders' Agreement, a mandatory system-level rule is hardcoded into the clearing core. Exactly fifteen percent (15.00%) of the gross transactional fee income captured across all exchange operations, gateway switches, and subsidiary value chain layers shall be automatically redirected to the Dedicated Share Capitalization Reserve. This pool exclusively funds the automated micro-amortization and vesting mechanics of the 10-share public Cooperator float allocations detailed under Schedule B.

**A.1.3 Currency Denomination and Settlement Rails** All fees, levies, and dues set out in this Schedule are denominated in United States Dollars (USD) or their absolute multi-currency electronic equivalents. Where transactions originate from cross-border cooperative networks or regional SACCO clusters in local fiat denominations, the Co-op Pay clearing gateway executes an instantaneous programmatic conversion based on the live audited spot rate prior to executing the statutory deductions.

## A.2 Primary Market Issuance and Listing Fees

**A.2.1 Debenture Tranche Structuring and Application Fees** Before any Issuing Cooperative or SACCO can list fixed-income instruments or commodity-backed debentures on the `coops.africa` Electronic Board, they must pass the regulatory vetting protocols managed by the **Institute of Cooperative Management (Private) Limited**. The following non-refundable processing fees apply:

1. **Initial Governance Audit and Certification Fee:** \$250.00 USD flat rate per issuing entity, covering board vetting, KYC/AML entity alignment, and compliance verification under the Co-operative Societies Act [Chapter 24:05].
2. **Debenture Registration and Prospectus Vetting Fee:** 0.10% of the target nominal issuance volume, subject to a minimum floor of \$100.00 USD and a maximum ceiling of \$2,500.00 USD per registered prospectus tranche.

**A.2.2 Primary Placement Commission Scale** Upon successful capital deployment and the execution of a primary allocation event where debentures are fully funded by institutional brokers or retail cooperators, the platform extracts a primary placement fee:

1. **Micro-Scale Tranches (Under \$50,000 USD):** A flat 0.40% fee on total gross capital raised.
2. **Institutional-Grade Tranches (Above \$50,000 USD):** A tier-calibrated 0.25% fee on total gross capital raised, directly deducted from the clearing payout escrow before capital is transferred to the issuer's core account.

### A.3 Secondary Market Trading and Transaction Levies

**A.3.1 Electronic Order Book Execution Charges** Every completed buy or sell matching payload executed inside the Electronic Order Book triggers a combined transaction fee. This fee is automatically split between the broker, the exchange infrastructure, the investor protection layers, and the apex regulator. The total transactional friction layer is tightly controlled to safeguard liquidity across the fractional registry.

**A.3.2 Symmetric Transactor Fee Apportionment** For every matching trade, a total transaction cost of zero point eight five percent (0.85%) is extracted symmetrically from both the buying participant and the selling participant. The gross 0.85% payload is split programmatically by the Co-op Pay smart contract engine at the settlement block using the following precise statutory breakdown:

1. **CDEX Exchange Execution Node Fee:** 0.35% (Retained by the Company to run core operations and maintain the `coops.africa` core matching spine).
2. **SECZ Statutory Investor Protection Levy:** 0.15% (Accumulated and transferred to the Securities and Exchange Commission of Zimbabwe in compliance with the Securities and Exchange Act [Chapter 24:25]).
3. **Co-op Pay Clearing and Switch Fee:** 0.20% (Allocated directly to Co-op Pay Financial Services for automated DvP management and real-time ledger mirroring).
4. **CDEX Fidelity Guarantee Fund Allocation:** 0.15% (Diverted into the isolated, asset-backed trust vault established under Schedule C.1 to insure platform participants against system-level fraud or clearing defaults).

### A.4 Clearing, Settlement, and Registry Maintenance Fees

**A.4.1 Real-Time Delivery-versus-Payment (DvP) Costs** To prevent counterparty settlement risk across regional jurisdictions, the clearing gateway operates an atomic DvP execution loop. The transaction costs associated with running these distributed infrastructure connections include:

1. **API Wallet Direct Sweep Fee:** \$0.05 USD flat micro-fee per automated batch payroll deduction or SACCO cross-border switch execution.
2. **Fractional Registry Maintenance Levy:** An annual administrative fee of \$1.00 USD per active Cooperator profile node, deducted from accrued debenture interest payments or platform loyalty balances to cover continuous cloud synchronization costs.

**A.4.2 Forfeiture and Account Suspension Extraction Rules** Pursuant to Article 2.4 and Article 9.4.3, where an account is flagged for severe compliance failure, fraud, or de-registration, the system executes automated clawbacks:

1. **Compliance Overhaul Forfeiture Fee:** A processing fee of \$10.00 USD or the remaining unvested cash balance sitting within the target suspense account (whichever value is lower) is permanently retained by CDEX corporate reserves to clear legal and forensic investigation costs.

## A.5 Comprehensive Consolidated Fees Matrix

| Fee Category                    | Applicable Entity             | Fee Rate / Valuation Basis                                       | Primary Collection Node             | Statutory / Contractual Reference  |
|---------------------------------|-------------------------------|------------------------------------------------------------------|-------------------------------------|------------------------------------|
| <b>Governance Certification</b> | Issuing Cooperatives / SACCOS | <b>\$250.00 USD</b> flat rate per audit cycle                    | Institute of Cooperative Management | Schedule C.2 / Vetting Vitals      |
| <b>Prospectus Vetting</b>       | Issuing Cooperatives / SACCOS | <b>0.10%</b> of total tranche value ( <i>Capped at \$2,500</i> ) | CDEX Compliance Desk                | Article 6.2 / Core Mandate         |
| <b>Primary Placement</b>        | Issuing Cooperatives / SACCOS | <b>0.25% to 0.40%</b> based on capital scale                     | Co-op Pay Escrow Gateway            | Schedule C.1 / Capitalization      |
| <b>Exchange Execution</b>       | Buyers & Sellers (Symmetric)  | <b>0.35%</b> per matched execution payload                       | coops.africa Matching Engine        | Article 1.1 / Infrastructure Spine |
| <b>SECZ Regulatory Levy</b>     | Buyers & Sellers (Symmetric)  | <b>0.15%</b> per matched execution payload                       | SECZ Automated Sub-Node API         | Article 8.1 / Act [Chapter 24:25]  |
| <b>Clearing Switch Fee</b>      | Buyers & Sellers (Symmetric)  | <b>0.20%</b> per matched execution payload                       | Co-op Pay Financial Services        | Article 6.2 / Clearing Switch      |
| <b>Fidelity Guarantee</b>       | Buyers & Sellers (Symmetric)  | <b>0.15%</b> per matched execution payload                       | CDEX Fidelity Vault Trust Account   | Schedule C.1 / Fidelity Fund       |

| <b>Fee Category</b>         | <b>Applicable Entity</b>       | <b>Fee Rate / Valuation Basis</b>                  | <b>Primary Collection Node</b> | <b>Statutory / Contractual Reference</b> |
|-----------------------------|--------------------------------|----------------------------------------------------|--------------------------------|------------------------------------------|
| <b>API Direct Sweep</b>     | Interlocking System Users      | <b>\$0.05 USD</b> per programmatic batch switch    | Co-op Pay Gateway Switch       | Article 6.3 / Group Sweeps               |
| <b>Registry Maintenance</b> | Individual Network Cooperators | <b>\$1.00 USD</b> annually per unique profile node | coops.africa Core Registry     | Article 2.1 / UID Framework              |

## A.6 Schedule Adjustment and Amendment Controls

**A.6.1 Board Approval and SECZ Ratification Protocols** The tariff architectures, placement commissions, and switch rates codified within this Schedule are locked structurally against arbitrary modification. Any proposal by executive management to alter the base fee percentages, introduce new charging layers, or adjust the collection parameters requires:

1. The unanimous written signature of both founding architects (William Gonyora and Anthony Beloved Parehwa) under the Founder Reserved Veto Register (Article 7.2).
2. A formal Board resolution approved by a supermajority vote where no less than 85% of active common voting allocations are voted in favor of the revision.
3. Formal submission, regulatory vetting, and a signed *Letter of Administrative Authorization* from the Chief Inspector of the Securities and Exchange Commission of Zimbabwe (SECZ) thirty (30) days prior to deployment on the live production codebase.

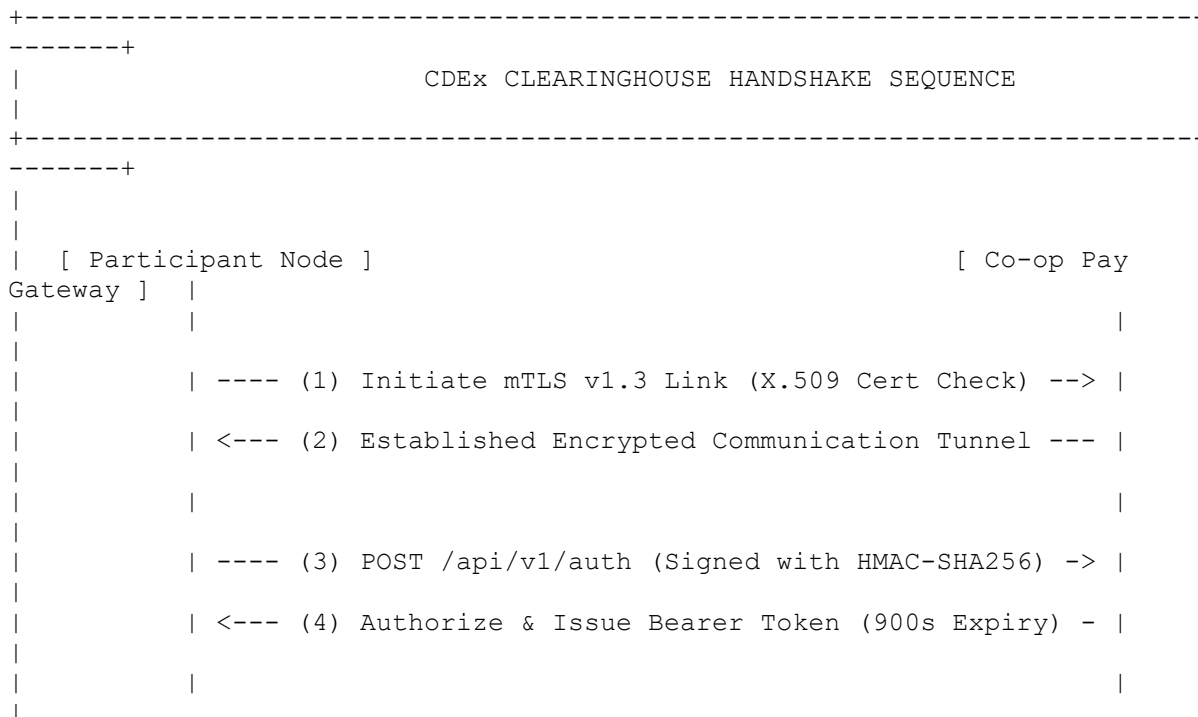
# SCHEDULE B: TECHNICAL API CONNECTION HANDSHAKES AND MASTER ELECTRONIC CLEARINGHOUSE RULES

## B.1 Operational Topology and Secure Gateway Handshakes

**B.1.1 Network Architecture Integration** The clearinghouse mechanics of the Co-op Debenture Exchange (CDEX) operate via a distributed hybrid framework managed directly by **Co-op Pay Financial Services (Private) Limited**. This framework links external Institutional Intermediaries, Admitted Participants, and Savings and Credit Cooperative Organizations (SACCOs) to the core `coops.africa` matching core. No manual order entries, retrospective clearings, or human ledger balancing are permitted at the transaction clearing tier.

**B.1.2 Cryptographic Authentication Standards** All external connections attempting to access the `coops.africa` core switch API layers must satisfy a multi-factor cryptographic handshake sequence before any transaction payloads are queued for matching execution:

1. **Mutual Transport Layer Security (mTLS):** All connection requests must terminate through an active, hard-pinned mTLS v1.3 tunnel utilizing X.509 certificates generated and cryptographically signed by the CDEX Root Certificate Authority (CA).
2. **HMAC Payload Signing:** Every JSON payload transmitted to the clearing gateway must feature a custom header string containing an `X-CDEX-Signature`. This signature is a Hash-based Message Authentication Code (HMAC-SHA256) calculated over the complete HTTP request body using the participant’s rotating private API secret key.
3. **Rotating OAuth2 Bearer Tokens:** Upon successful validation of the mTLS tunnel and HMAC signature, the system issues a temporary, short-lived session token (valid for exactly 900 seconds) to govern transactional sessions.



```

|          | ---- (5) Execute Atomic DvP Transaction Payload -----> |
|          v                                                    v
|
+-----+
-----+
    
```

## B.2 Real-Time Delivery-versus-Payment (DvP) Settlement Protocol

**B.2.1 The Principle of Simultaneity** To eliminate asset-settlement lag, capital displacement, and systemic counterparty default risk across regional cooperative networks, all secondary market debenture trades are governed by an atomic Delivery-versus-Payment (DvP) execution loop. The core matching spine enforces **DvP Tier-1 Settlement**, meaning the transfer of fixed-income debentures from the seller to the buyer occurs simultaneously with the extraction and routing of cash funds from the buyer to the seller inside the digital ecosystem.

**B.2.2 The Four-Stage Clearing Lifecycle** Every trade matched within the Electronic Order Book undergoes an automated, zero-discretion clearing cycle executed within a maximum threshold of two hundred and fifty (250) milliseconds:

```

+-----+
-----+
|                                     THE FOUR-STAGE CLEARING LIFECYCLE
|
+-----+
-----+
|
|
|  STAGE 1: ASSET LOCK
|
|  The CDEX Registry instantly places a cryptographic hold on the Target
|  Debenture Tranche within the seller's verified ledger asset pool.
|
|
|  STAGE 2: CASH VERIFICATION
|
|  Co-op Pay Financial Services queries the buyer's multi-currency digital
|  wallet to assert that liquid funds are equal to or greater than the
full |
|  gross purchase value plus the transaction fees.
|
|
|  STAGE 3: ATOMIC COMPOSITE COMMIT
|
|  The clearing switch simultaneously changes ownership flags on the
debenture |
|  registry and sweeps the verified cash payload out of the buyer's
account.   |
|
|
|  STAGE 4: STATE JOURNAL UPDATES
|
    
```

```

| The matching engine logs the final block hashes, pushes read-only
receipts |
| to the SECZ surveillance dashboard API, and updates account matrices.
|
|
|
+-----+
-----+

```

**B.2.3 Automatic Rollback and Acid Compliance** If either leg of the transaction fails—due to insufficient liquid funds in the buyer's digital wallet, an unannounced registry freeze on the seller's debentures, or network connection timeouts—the entire transaction is instantly invalidated. The smart contract triggers a gas-revert state command, immediately releasing all asset holds and restoring both participant nodes to their exact pre-transaction operational states. No partial clearings, uncollateralized overdraft allocations, or floating asset balances are permitted to exist within the database.

## B.3 Zero-Discretion Automated Fee Splitting & Payload Routing

**B.3.1 Real-Time Fee Split Extraction** At the exact millisecond of an atomic composite commit, the clearing gateway programmatically extracts the total **0.85% symmetric transaction friction fee** from both the buyer and seller accounts as mandated by Schedule A. The transaction payload contains sub-routing commands that split the gross fee volume automatically into four designated destination nodes.

**B.3.2 Programmatic Core JSON Schema** All clearing payloads transmitted via the **Co-op Pay Financial Services** network switch layer must adhere to the following strict, structural JSON object layout for execution processing:

### JSON

```

{
  "clearing_header": {
    "transaction_uid": "TXN-MATCH-2026-998821",
    "timestamp_utc": "2026-06-14T13:42:11Z",
    "idempotency_key": "9f7a3b2c-6d5e-4f3a-2b1c-0e9d8c7b6a5f"
  },
  "trade_details": {
    "debenture_isin": "ZW-CDEX-AGR02-2026",
    "issuing_cooperative_id": "COOP-MASH-CENTRAL-08",
    "matched_volume_units": 5000,
    "execution_unit_price_usd": 1.00,
    "gross_settlement_value_usd": 5000.00
  },
  "counterparties": {
    "buyer_uid": "COOP-BUYER-HAR-1102",
    "buyer_wallet_node": "0xBuyerWallet773a...91f2",
    "seller_uid": "COOP-SELLER-BYO-4409",
    "seller_wallet_node": "0xSellerWallet884b...63e9"
  },
  "automated_fee_routing": {
    "total_symmetric_fee_rate": 0.0085,
    "gross_fee_extracted_usd": 42.50,
    "distribution_routing_targets": [
      {
        "node_name": "CDEX_Exchange_Execution_Account",
        "allocation_percentage": 0.4117,

```

```

    "amount_usd": 17.50,
    "ledger_destination": "0xCDEXCoreOpsRealNode...7711"
  },
  {
    "node_name": "SECZ_Statutory_Protection_Levy",
    "allocation_percentage": 0.1765,
    "amount_usd": 7.50,
    "ledger_destination": "0xSECZRegulatorSubNodeAPI...0025"
  },
  {
    "node_name": "Co-op_Pay_Clearing_Switch_Fee",
    "allocation_percentage": 0.2353,
    "amount_usd": 10.00,
    "ledger_destination": "0xCoOpPaySwitchFinServices...8844"
  },
  {
    "node_name": "CDEX_Fidelity_Guarantee_Fund",
    "allocation_percentage": 0.1765,
    "amount_usd": 7.50,
    "ledger_destination": "0xFidelityTrustVaultAccount...9933"
  }
]
},
"passive_equity_redirection_engine": {
  "mandatory_redirection_rate": 0.1500,
  "capitalization_reserve_allocation_usd": 6.375,
  "target_share_pool_destination":
"0xDedicatedShareCapitalizationReserve...5566"
}
}

```

**B.3.3 The Passive Equity Redirection Trigger** As mapped within the JSON schema payload, the clearing core evaluates the gross fee income captured by the processing gateway (\$42.50 USD). The switch instantly separates exactly fifteen percent (15.00%) of that value (\$6.375 USD) and reroutes it directly into the **Dedicated Share Capitalization Reserve Account**. This operation bypasses corporate operational holding layers, ensuring the automated funding and vesting mechanics of the 10-share public Cooperator float allocations remain continuously capitalized at the transaction level.

## B.4 Clearinghouse Invariant Assertions and Emergency Freezes

**B.4.1 Invariant Assertion Checks** To safeguard the system codebase against corrupted transaction states, faulty third-party API configurations, or deliberate system attacks, the clearing core runs explicit, compiled-level execution assertions prior to committing any block modifications:

### Solidity

```

// Invariant Verification Code Block for Transaction Clearing
void verifyClearinghouseInvariants(uint256 grossSettlementValue, uint256
totalFeesExtracted) {
  // 1. Assert Absolute Mathematical Parity of Fee Splits
  assert(totalFeesExtracted == (grossSettlementValue * 85) / 10000);

  // 2. Assert Inviolability of the 15% Share Redirection
  uint256 redirectedEquity = (totalFeesExtracted * 15) / 100;
  assert(redirectedEquity + (totalFeesExtracted * 85) / 100 ==
totalFeesExtracted);
}

```

```
// 3. System Capital Baseline Safety Check
assert(CDEX_Exchange_Operational_Balance >= 0);
}
```

**B.4.2 Level 2 Hard System Freeze Protocol** If any participant connection attempts to bypass these assertions, transmits ill-formed payload structures, demonstrates recurring cryptographic signature failures, or rejects a formal 24-hour Forensic Data Demand, the Chief Compliance Officer shall trigger a Level 2 Hard System Freeze.

**B.4.3 Operational Impact of Level 2 Hard Freeze 1. Production Key Revocation:** The clearing engine immediately revokes the target entity's API production keys, severing all OAuth2 bearer token privileges.

2. **Order Book Purge:** All pending orders, bid-ask quotes, and transaction requests originating from the flagged unique user identifier (UID) are purged from the Electronic Order Book.

3. **Gateway Slot Suspension:** Access slots on the `coops.africa` platform are completely blocked, preventing any inbound or outbound payment switches through the Co-op Pay network until formal clearance is granted by the Disciplinary Committee or the SECZ inspectorate.

# SCHEDULE C: STANDARDIZED LISTING RULES FRAMEWORK FOR COOPERATIVE DEBENTURE ISSUERS

## C.1 Eligibility and Onboarding Prerequisites for Issuing Cooperatives

**C.1.1 Statutory Registration and Legal Standing** To qualify as an Eligible Issuing Entity for fixed-income or commodity-backed debentures on the coops.africa Electronic Board, an applicant must be duly registered and in good standing under the Co-operative Societies Act [Chapter 24:05] of Zimbabwe or equivalent regional cooperative legislation within the targeted African expansion jurisdictions. No corporate entity structured outside the legal definition of a cooperative society, agricultural cooperative, or Savings and Credit Cooperative Organization (SACCO) may apply for listing privileges under this framework.

**C.1.2 Mandatory Institute Certification Gate** Prior to submitting a formal Listing Application, the applicant must successfully undergo a rigorous corporate governance, financial soundness, and regulatory alignment audit executed by the **Institute of Cooperative Management (Private) Limited**. This vetting gate ensures absolute compliance with market manipulation laws, anti-money laundering (AML) requirements, and counter-terrorist financing (CTF) standards. The applicant must secure a formal *Certificate of Governance Compliance* from the Institute as a non-severable condition precedent to prospectus filing.

**C.1.3 Minimum Financial and Asset Parameters** Eligible issuers must demonstrate structural financial viability to protect retail and institutional cooperators from systemic default risk:

1. **Audited Operational History:** A minimum of two (2) consecutive financial years of audited financial statements prepared in accordance with International Financial Reporting Standards (IFRS), verified by an independent firm approved by the exchange and the Securities and Exchange Commission of Zimbabwe (SECZ).
2. **Minimum Capital Adequacy Baseline:** Net asset positions must meet the historical parameters established by the CDEX Listing Committee, ensuring sufficient base asset protection relative to the aggregate nominal size of the proposed issuance tranche.

## C.2 Debenture Instrument Structuring and Asset-Backing Mandates

**C.2.1 Fractionalization and Multi-Currency Denomination** All debentures listed on the coops.africa platform shall be structurally fractionalized to accommodate micro-scale allocations, enabling high-density participation across grassroots networks. Debentures shall be denominated in United States Dollars (USD) or their absolute multi-currency electronic equivalents managed via the **Co-op Pay Financial Services** clearing architecture. The baseline nominal unit value for a fractionalized listed debenture is structurally pinned to a minimum threshold to optimize retail accessibility.

**C.2.2 Permitted Asset-Backing and Collateralization Rules** Issuing cooperatives may deploy two distinct classes of debt instruments, both requiring verifiable collateral structures:

1. **Fixed-Income Financial Debentures:** Backed by underlying loan books, performing SACCO asset reserves, or verified institutional sovereign guarantees.
2. **Commodity-Backed Debentures:** Directly linked to tangible physical inventory—including agricultural inputs, grains, or mineral assets—stored, insured, and managed under the strict logistics and supply-chain protocols of the **Co-op Pay Store (Private) Limited**.

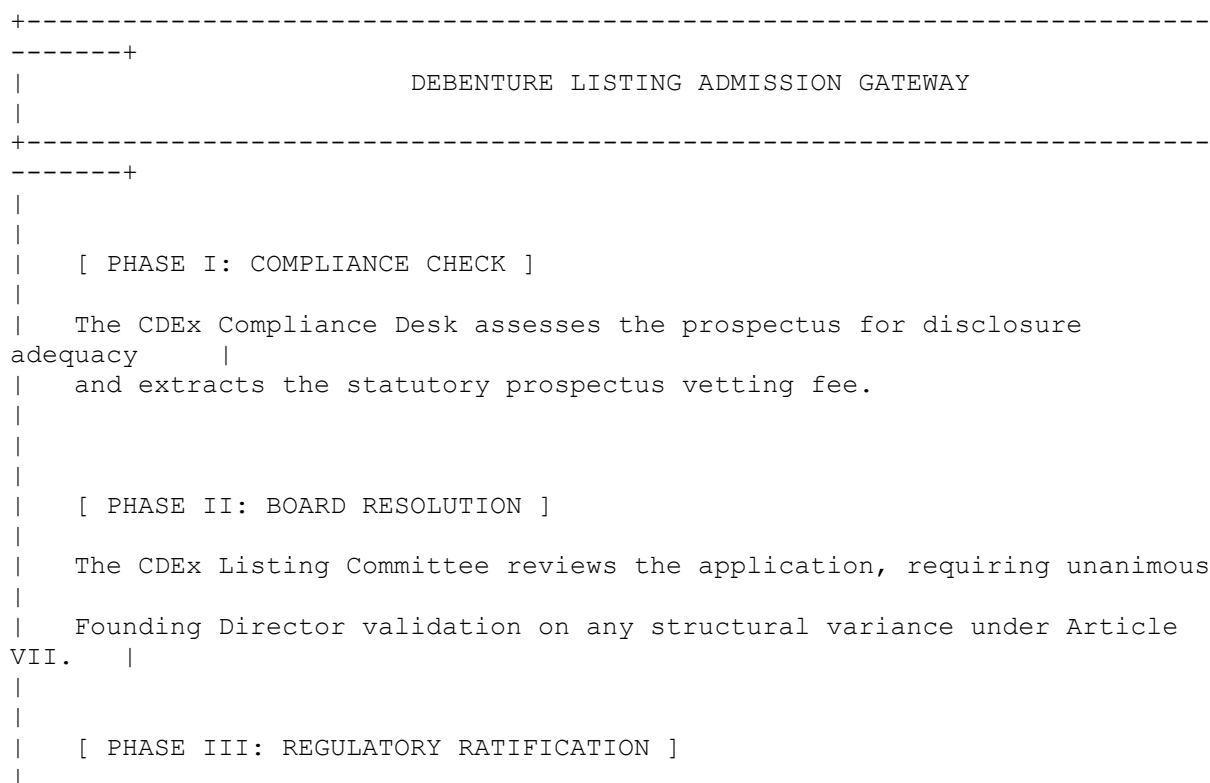
**C.2.3 Cryptographic Asset Lock and Escrow Protocols** To eliminate asset diversion or collateral degradation during the lifecycle of the listed instrument, the underlying security assets must be legally ring-fenced:

1. Physical assets must be bound via an irrevocable warehouse receipt system integrated with the platform registry.
2. Financial cash reserves dedicated to coupon servicing must be held in isolated, automated escrow accounts managed by the Co-op Pay settlement engine, completely separate from the issuer's operational funds.

### C.3 Prospectus Filing, Vetting, and Board Admission

**C.3.1 Form and Content of the Debenture Prospectus** An issuer must compile and submit a comprehensive *Debenture Issuance Prospectus* to the CDEX Compliance Desk. The prospectus must transparently disclose the exact capital utilization blueprint, structural coupon rates, fixed amortization schedules, underlying collateral valuation metrics, and specific risk mitigation frameworks.

**C.3.2 Vetting Workflow and SECZ Authorization Sequence** The administrative path to listing admission is governed by a strict three-tier approval protocol designed to protect market integrity:



| The vetted prospectus is submitted to the Securities and Exchange  
 | Commission of Zimbabwe (SECZ) for formal administrative authorization.  
 |  
 |  
 |  
 |  
 +-----+  
 -----+

**C.3.3 Digital Public Float Minting** Upon receiving formal administrative sign-off and a *Letter of Market Admission* from the SECZ inspectorate, the target debenture tranche is algorithmically minted onto the master ledger of `coops.africa`. The tranche is instantly reflected on the digital board interface, opening the subscription window to verified platform cooperators, including targeted segments onboarded via the **allWomen Connect** impact network.

## C.4 Continuous Disclosure and Algorithmic Surveillance Rules

**C.4.1 Real-Time Financial and Operational Data Streaming** Listed cooperatives must maintain absolute mathematical transparency throughout the operational term of the debentures. Issuers are required to integrate their core accounting nodes directly with the `coops.africa` platform compliance architecture via secure API bridges. The platform programmatically captures and evaluates real-time metric streams, including:

1. Live shifts in asset-to-liability ratios within the underlying cooperative ledger.
2. Fluctuations in physical inventory volumes held across Co-op Pay Store vaults backing commodity tranches.

**C.4.2 Mandatory Reporting of Material Modification Events** Any operational or macroeconomic variance capable of impairing the issuer's capability to service coupon allocations must be programmatically flagged within twenty-four (24) hours of occurrence. Material events include, but are not limited to, severe default surges in internal SACCO credit lines, unexpected legal claims under the Companies and Other Business Entities Act (COBE) [Chapter 24:31], or the impairment of physical collateral reserves.

**C.4.3 Surveillance Node Integration** All continuous disclosure matrices, transaction velocity feeds, and compliance states are transmitted in real-time to the read-only compliance dashboard API exposed directly to the SECZ surveillance department. This algorithmic transparency ensures that any variation from standard listing parameters is immediately detectable by regulatory authorities without human delay.

## C.5 Default, Restructuring, and Collateral Liquidation Mechanics

**C.5.1 Automated Definition and Trigger of Default Events** A *Listing Default Event* is programmatically triggered the exact millisecond that an issuer fails to fulfill a scheduled coupon payment or principal amortization settlement running across the Co-op Pay payment gateway corridor. The core matching engine executes an automated verification sweep; if required servicing funds are absent at the scheduled deadline hour, the system moves the issuer profile into a status of *Technical Settlement Breach*.

**C.5.2 The 14-Day Cure and Restructuring Window** Upon the automated trigger of a Technical Settlement Breach, the platform executes a defensive operational loop:

1. **Trading Suspension:** Secondary market trading of the affected debenture tranche is instantly suspended within the Electronic Order Book to safeguard external investors.
2. **Executive Cooling-Off:** The defaulting cooperative enters a mandatory 14-day cure window to fund the settlement deficit or present a formal restructuring plan to the CDEX Disciplinary Committee and the Founding Directors.

**C.5.3 Algorithmic Collateral Liquidation and Fidelity Recourse** If the default is not cured within the 14-day window, the system terminates the cooperative's platform privileges and initiates automated asset liquidation:

1. **Physical Asset Foreclosure:** The **Co-op Pay Store** is legally empowered to seize and liquidate all physical commodity reserves backing the defaulted tranche via the digital marketplace, routing the cash proceeds directly to the affected debenture holders.
2. **Fidelity Fund Intervention:** Where physical liquidation proceeds do not cover the complete outstanding principal value, the CDEX Fidelity Guarantee Fund provides secondary recourse up to the maximum liability thresholds established under the exchange trust charter.
3. **Account Forfeiture Extraction:** Any remaining cash allocations or residual unvested balances belonging to the defaulting entity inside system suspense nodes are permanently claimed under the Compliance Overhaul Forfeiture provisions to liquidate remaining forensic and legal tracking costs.



|       |  |                                                                   |
|-------|--|-------------------------------------------------------------------|
|       |  |                                                                   |
|       |  | +---> TIER 1: Grassroots Individuals (allWomen Connect Conduit)   |
|       |  | - National ID / Biometric / PEP Screening Block                   |
|       |  |                                                                   |
|       |  | +---> TIER 2: Institutional Cooperatives (Institute of Mgmt Gate) |
|       |  | - Chapter 24:05 Cert / BO Natural Persons / Geofencing            |
|       |  |                                                                   |
|       |  | +---> TIER 3: Enhanced Due Diligence (Automated System EDD)       |
|       |  | - Dynamic Asset Verification / Forensic Source of Funds           |
| Audit |  |                                                                   |
|       |  |                                                                   |
| ----- |  |                                                                   |
|       |  | -----+                                                            |

*D.2.1 Tier 1 Onboarding: Individual Grassroots Cooperators*

The individual onboarding conduit—primarily driven via the **allWomen Connect (Private) Limited** financial inclusion network—requires the automated fulfillment of the following validation parameters before an individual unique user identifier (UID) is minted and assigned 10 common voting shares:

- **Identity Vetting:** Submission of a high-resolution color scan of the National Identity Card, Valid Passport, or Driver’s License, processed through automated Optical Character Recognition (OCR) linking directly to the national civil registry database.
- **Biometric Liveness Verification:** Mandatory active face-match liveness checking to isolate deepfakes, spoofing vectors, or identity theft attempts.
- **Mobile Wallet Mapping:** Structural pairing of the user account with a verified mobile phone number (Econet, NetOne, or Telecel) registered in identical alignment with the subscriber's legal name.
- **PEP and Sanctions Screening:** Real-time checking against Politically Exposed Persons (PEPs) lists, OFAC sanctions databases, and regional FIU enforcement blacklists.

*D.2.2 Tier 2 Onboarding: Institutional Cooperative Entities & SACCOs*

Before any agricultural cooperative or SACCO can establish a primary ecosystem node, access internal consumer credit lines, or issue fixed-income/commodity-backed debentures, the following strict corporate parameters must be cryptographically uploaded and verified:

- **Statutory Incorporation Vetting:** Verification of a valid registration certificate issued under the Co-operative Societies Act [Chapter 24:05] or equivalent regional legislation.
- **Board Resolution Verification:** A certified corporate resolution signed by the cooperative’s executive board authorizing integration with the `coops.africa` engine and appointing an authenticated API system administrator.

- [ ] **Ultimate Beneficial Ownership (UBO) Disclosure:** Absolute transparency down to the natural person level. The entity must map every shareholder or member holding a stake greater than 5.00%, ensuring no corporate fronts or shell entities mask sanctioned individuals.
- [ ] **Operational Geofencing:** Physical location asset validation via certified lease document OCR or verified GPS geofencing of the cooperative's headquarters and inventory warehouses.

### *D.2.3 Tier 3 Onboarding: Enhanced Due Diligence (EDD) Trigger Conditions*

An automated shift from Standard CDD to Enhanced Due Diligence (EDD) occurs instantly if any of the following technical or operational trigger states are logged by the system event listeners:

- The incoming entity is registered or operates within an FIU-designated high-risk geographic jurisdiction.
- Complex, unexplained corporate shell configurations cross-cutting offshore holding jurisdictions.
- Initial transaction volume velocity forecasts exceed baseline cooperative operational norms by more than three hundred percent (300%).

## **D.3 Cryptographic Transaction Monitoring & API-Driven Velocity Threshold Filters**

**D.3.1 Real-Time API JSON Screening Payload** Every transaction, clearing request, or payment sweep executed across the **Co-op Pay Financial Services (Private) Limited** network switch layer is screened programmatically prior to core database state changes. Below is the mandatory structural layout for the compliance screening request payload:

JSON

```
{
  "compliance_meta": {
    "screening_uid": "SCR-2026-AML-88301",
    "originating_node": "Co-op Pay Financial Services Switch",
    "timestamp_utc": "2026-06-14T13:45:00Z"
  },
  "party_verification": {
    "sender_uid": "COOP-BUYER-HAR-1102",
    "sender_pep_status": false,
    "recipient_uid": "COOP-SELLER-BYO-4409",
    "recipient_sanction_check_hash":
    "e3b0c44298fc1c149afb4c8996fb92427ae41e4649b934ca495991b7852b855"
  },
  "transaction_metrics": {
    "currency_denomination": "USD",
    "gross_transfer_value": 14500.00,
    "rolling_24h_velocity_usd": 48200.00,
    "historical_avg_daily_volume_usd": 2500.00
  },
  "velocity_anomaly_flags": {
    "structural_split_alert": false,
    "rapid_layering_detection": true,
    "threshold_breach_ratio": 19.28
  }
}
```

```

},
"automated_compliance_action": {
  "action_triggered": "SUSPEND_AND_HOLD",
  "fiu_reporting_flag": true,
  "suspense_ledger_destination": "0xEscrowAMLSuspenseNode...9900"
}
}

```

**D.3.2 Systemic Threshold Velocity Rules** The platform core architecture enforces structural math blocks at the bytecode execution tier to capture and suppress systemic laundering and fraud patterns:

1. **The Structured Splitting (Smurfing) Filter:** The network monitor calculates rolling 1-hour and 24-hour transaction windows per unique user ID. If a user executes multiple parallel micro-settlements just below standard reporting triggers (e.g., repeating \$9,950 USD transactions to avoid a \$10,000 USD limit), the system merges the blocks, asserts an immediate transaction hold, and logs a Suspicious Transaction Report (STR).
2. **The Velocity Anomaly Equation:** An automated system alert and asset lock trigger if:

$$\frac{\text{Current Transaction Value} + \text{Rolling 24h Volume}}{\text{Historical 30-Day Average Daily Volume}} > 10.00$$

This mathematical variance instantly halts outbound execution paths until manual clearing clearance is input by the PAMLCO.

## D.4 Forensic Remediation, Account Freezing, and Regulatory Escrow Workflows

**D.4.1 Level 1 Compliance Interdict (Temporary API Throttling)** Upon an automated velocity breach or cryptographic signature mismatch, the system downgrades the target user profile to `STATUS_COMPLIANCE_HOLD`. The entity's API production write capabilities are throttled down to zero, turning their dashboard into a read-only node and freezing all unvested or pending transaction queues.

**D.4.2 Level 2 Hard System Freeze Execution** If an account fails to satisfy a formal 24-hour Forensic Source of Funds demand issued by the PAMLCO, or if an explicit enforcement directive arrives from the SECZ inspectorate or the FIU, a **Level 2 Hard System Freeze** is programmatically deployed.

1. **Key Revocation:** The clearing engine revokes all OAuth2 bearer tokens and production API secrets instantly.
2. **Order Book Purge:** Any open bids, asks, or subscription requests are completely wiped from the Electronic Order Book.
3. **Core Equity Clawback:** Pursuant to the strict provisions of Article 2.4 and Schedule B, if the freeze stems from terminal fraud or regulatory compliance failure, the user's 10 common voting shares are instantly clawed back. Five (5) shares return to the holding ledger of William Gonyora and five (5) shares return to the holding ledger of Anthony Beloved Parehwa, preserving the cap table equilibrium without human delay.

4. **Cash Balance Seizure:** Any liquid cash balances sitting inside Co-op Pay transactional nodes are swept directly into the **CDEX Compliance Overhaul Forfeiture Suspense Account**, isolated under strict legal custody pending final asset forfeiture commands by a court of competent jurisdiction or an official arbitral tribunal.

**D.4.3 Algorithmic Surveillance API Integration** To maintain total structural transparency and absolute regulatory comfort, all compliance holds, transaction anomalies, UBO mutations, and automated STR logs are mirrored in real time to the read-only audit terminal dashboard exposed directly to the SECZ surveillance department and the FIU network switch. This ensures continuous, zero-delay compliance verification across the entire pan-African cooperative footprint.

# SCHEDULE E: TEMPLATE PARTICIPANT ADMISSION APPLICATIONS AND MANDATORY VETTING DECLARATIONS

## E.1 Application Architecture and Admission Classes

**E.1.1 Digital Onboarding Mandate** Every entity seeking permission to route orders, clear transactions, or interface automated applications with the `coops.africa` core infrastructure must submit a formal *Participant Admission Application*. In compliance with Article 2.1 of the Master Charter, all applications must be completed digitally via the compliance portal and cryptographically signed by the applicant's authorized corporate officers using verified PKI (Public Key Infrastructure) digital certificates.

**E.1.2 Classification of Core Participants** Admission profiles are segregated into three distinct operational categories, each granting specific access tokens and API gateway slots on the network:

```

+-----+
|                                     CDEX PARTICIPANT ADMISSION CLASSES
|
+-----+
|
| [ CLASS 1: Issuing Cooperative / SACCO Node ]
|
| - Authorizes primary market debenture minting and listing privileges.
|
| - Enables internal consumer credit lines and member registry sync.
|
|
| [ CLASS 2: Licensed Institutional Broker Node ]
|
| - Grants production write-keys to the Electronic Order Book.
|
| - Enables matching engine order routing on behalf of third-party
pools.
|
|
| [ CLASS 3: Technical Value-Chain Node ]
|
| - Custom API integrations for clearing houses, logistics, or data
vaults.
|
| - Reserved for entities like Co-op Pay, Co-op Pay Store, and ICM.
|
|
+-----+

```

## E.2 Form E-101: Master Institutional Admission Application Template

=====
=====
CO-OP DEBENTURE EXCHANGE (PRIVATE) LIMITED
FORM E-101: ADMISSION APPLICATION FOR EXTRAORDINARY
INFRASTRUCTURE PARTICIPATION
=====

[SECTION 1: CORPORATE DISCLOSURE & NETWORK IDENTIFICATION]

1.1 Legal Corporate Name:

1.2 Trading / Operating Name (if different):

1.3 Primary Legislative Framework Anchor (Check Applicable):

- [ ] Co-operative Societies Act [Chapter 24:05]
[ ] Companies and Other Business Entities Act (COBE) [Chapter 24:31]
[ ] Banking Act [Chapter 24:20]
[ ] Securities and Exchange Act [Chapter 24:25]
[ ] Regional Equivalent (Specify Jurisdiction & Act):

1.4 Statutory Registration Number: \_\_\_\_\_ Date of Inc:

1.5 Physical Headquarters Address:

1.6 Primary Core Domain URL:

1.7 Designated Tech Admin Email: \_\_\_\_\_ Tel (Int):

[SECTION 2: TARGET OPERATIONAL ACCESS SLOTS]

2.1 Requested Participant Class (Select One):

- [ ] Class 1 Node: Issuing Cooperative / SACCO Base Board
[ ] Class 2 Node: Institutional Broker / Clearing Member Engine
[ ] Class 3 Node: Dedicated Technical Service Infrastructure Wrapper

2.2 Estimated Parallel Transaction Velocity Peak (Payloads per Second):

- [ ] Tier A: < 50 tx/s [ ] Tier B: 50 - 500 tx/s [ ] Tier C: > 500 tx/s

2.3 Target Fiat Clearing Corridors: [ ] USD [ ] ZWG [ ] ZAR [ ] BWP [ ] EUR

[SECTION 3: MANDATORY SUBSIDIARY NODE VETTING CODES]

3.1 Institute of Cooperative Management Compliance Audit Hash:

(Attach Certificate of Governance Compliance signed by ICM Inspectorate)

3.2 Co-op Pay Financial Services Virtual Wallet Routing UID:

3.3 Physical Vault Space Allocation Reference (For Commodity Debentures Only):

Co-op Pay Store Repository ID:

E.3 Form E-102: Mandatory AML/CFT Ultimate Beneficial Ownership (UBO) Declaration

=====
=====
CO-OP DEBENTURE EXCHANGE (PRIVATE) LIMITED

FORM E-102: ULTIMATE BENEFICIAL OWNERSHIP (UBO) & NATURAL PERSON  
TRANSPARENCY DEED

=====

In strict accordance with the Money Laundering and Proceeds of Crime Act [Chapter 9:24] and Schedule D of the CDEX Governance Rules, applicants must disclose ALL natural persons who ultimately exercise control or own an equity stake >= 5.00%.

REPRESENTATIVE ENTITY SUBMITTING DEED:

\_\_\_\_\_

[BENEFICIAL OWNER NODE 1]  
Full Legal Name:

National ID / Passport Number: \_\_\_\_\_ Country of Issue:

Residential Address:

Percentage of Capital Ownership Allocation: \_\_\_\_\_ % Voting Rights Allocation: \_\_\_\_\_ %

Politically Exposed Person (PEP) Status Flag: [ ] YES [ ] NO  
If YES, provide clear legislative asset sourcing details:

\_\_\_\_\_

[BENEFICIAL OWNER NODE 2]  
Full Legal Name:

National ID / Passport Number: \_\_\_\_\_ Country of Issue:

Residential Address:

Percentage of Capital Ownership Allocation: \_\_\_\_\_ % Voting Rights Allocation: \_\_\_\_\_ %

Politically Exposed Person (PEP) Status Flag: [ ] YES [ ] NO  
If YES, provide clear legislative asset sourcing details:

\_\_\_\_\_

[BENEFICIAL OWNER NODE 3]  
Full Legal Name:

National ID / Passport Number: \_\_\_\_\_ Country of Issue:

Residential Address:

Percentage of Capital Ownership Allocation: \_\_\_\_\_ % Voting Rights Allocation: \_\_\_\_\_ %

Politically Exposed Person (PEP) Status Flag: [ ] YES [ ] NO

\*CRITICAL WARNING: The upload of false, masked, or intentionally modified data payloads within this document constitutes a severe market integrity violation and triggers a Level 2 Hard System Freeze across all integrated value-chain channels.\*

=====

**E.4 Form E-103: Mandatory Vetting & Operational Compliance Declarations**

The applicant’s Executive Board must collectively execute the following solemn declarations. This text must be reproduced, signed via cryptographic certificate tokens, and linked to the master system application onboarding block.

*E.4.1 Declaration of Regulatory Alignment & System Submission*

"We, the undersigned executive directors of the Applicant Entity, formally declare that we have reviewed, understood, and contractually bound our corporation to the complete provisions of the **Co-op Debenture Exchange (Private) Limited (CDEX)** Master Shareholders' Agreement, the Core Listing Rules (Schedule C), and the Technical API Clearinghouse Rules (Schedule B).

We acknowledge that access to the `coops.africa` digital workspace is a privilege conditional upon continuous regulatory compliance. We explicitly submit our firm's technical networks, electronic logs, and corporate transaction spaces to the un-notified, absolute right of audit managed by the Exchange Inspectorate pursuant to Section 9.1 of the Rulebook."

*E.4.2 Declaration of Financial Sanity & Non-Comingling*

"We declare under penalty of immediate platform de-registration and asset forfeiture that the Applicant Entity maintains liquid capital reserves exceeding the baseline criteria set out by the Listing Committee. We swear that client trust funds, cooperator investment escrows, and clearing liquidity cushions will be processed natively within the **Co-op Pay Financial Services** network under strict segregation rules. No comingling of external participant investment capital with the internal operational bank balances of our cooperative or brokerage house shall ever occur."

*E.4.3 Structural Multi-Signature Execution Block*

=====

By applying cryptographic signatures below, the Applicant Entity commits to full contractual integration with the `coops.africa` financial market engine.

=====

[APPLICANT EXECUTIVE SIGNATURE NODE 1]  
Name of Chief Executive Officer:

\_\_\_\_\_  
PKI Digital Certificate Serial Hash:

\_\_\_\_\_  
Timestamp of Signature (UTC): \_\_\_\_\_ Verification Status:  
[ PASSED ]

[APPLICANT EXECUTIVE SIGNATURE NODE 2]  
Name of Chief Compliance Officer:

\_\_\_\_\_  
PKI Digital Certificate Serial Hash:

\_\_\_\_\_  
Timestamp of Signature (UTC): \_\_\_\_\_ Verification Status:  
[ PASSED ]

-----

FOR INTERNAL EXCHANGE OVERSIGHT DESK USE ONLY:

Date Received: \_\_\_\_\_ Application Target UID: \_\_\_\_\_  
 \_\_\_\_\_  
 Vetting Officer Code: \_\_\_\_\_ ICM Audit Validation: [ VALIDATED /  
 SECURE ]  
 PAMLCO Gateway Sign-Off: \_\_\_\_\_ Final Onboarding State: [ LEVEL 1 ACTIVE  
 ]  
 =====  
 =====

## E.5 Systemic Enforcement and Processing Rules

**E.5.1 The Automated Admission Flow** Upon compilation, the data arrays contained inside the applicant's submitted E-Forms are parsed programmatically by the `coops.africa` compliance subsystem. The engine automatically initiates an out-of-band verification loop:

1. **Identity Registry Cross-Check:** The application scans the national civil registries using the OCR metadata to ensure no identity mismatch or expired credentials exist.
2. **Sanctions Watchlist Scan:** The compliance subsystem runs the UBO natural person hashes through international anti-money laundering databases (Schedule D.2).

**E.5.2 Automated Application Rejection and Suspension** If any parameter fails the validation tests—including mismatched digital signature certificates, missing ICM certification hashes, or listed PEP risks lacking asset provenance records—the core engine terminates the application session. The system issues an automated `REJECT_APPLICATION` code, locks the applicant's unique identity records from resubmission for thirty (30) days, and forwards a technical log of the event to the read-only surveillance API connected directly to the SECZ inspectorate.