



Brief Background

The Malawi Stock Exchange (MSE) has been in existence since 1994 but started equity trading in November 1996 when it first listed National Insurance Company Limited (NICO). Prior to the listing of the first company, the major activities that were being undertaken were the provision of a facility for secondary market trading in Government of Malawi securities namely; Treasury Notes and Local Registered Stock. The Stock Exchange is licensed under the Financial Services Act 2010 and operates under the Securities Act 2010 and the Companies Act 2013.

The MSE has three platforms namely, the Main Board, Enterprise Development and Growth Exchange and Debt Market. The Main Board is meant to cater for larger and well established companies; while the Enterprise and Growth Exchange was established to provide opportunity for the Small and Medium sized Enterprises (SME) who would like to raise capital at a lower cost by accessing public funds. The Debt Market caters for issuers that would want to raise debt capital as opposed to share capital.

Major Developments & Milestones

The exchange rolled out its 2023-27 Strategic Plan which promise to unlock the Exchanges potential in facilitating economic development as enshrined in the national development blueprint, Malawi 2063. The three pillars include **Market Growth, Process Efficiency and Financial Sustainability**. The Exchange has this far, engaged in various projects in line with the three pillars enshrined in its Strategic Plan such as;

1. Procurement of the Mobile Trading Application that will enable the investing public place orders in the market without physically visiting stockbrokers
2. Mzinga Incubation Program targeting Small and Medium Enterprises on the practical listing process for a maximum period of 18 months
3. Introduction of sustainable bonds guidelines and
4. The introduction of Environmental, Social and Governance reporting

There have also been major milestones for the MSE namely the automation of the trading platform which has improved price discovery and provides the exchange with opportunities to develop products in line with the 2023-27 Strategic plan pillar of Market Growth. The automation has this far, resulted in an increase in number of annual trades from 1,189 (translating to a daily average number of trades of 9) reported in 2017 to 10,736 (translating to a daily average number of trades of 43) in 2023.

The exchange also revised its Listings Requirements in response to market and global developments. Some of the major amendments and inclusions include requirement for Environmental, Social and Governance reporting, revision of minimum capital requirement for companies interested in listing on the Main Board, Corporate Governance and related party transactions.