

The Process of Opening a CSD Account

- ❖ It is mandatory to open a CSD account in order to buy or sell shares of companies listed in Rwanda exchange.
- ❖ You will need to identify the stockbroker of choice
- ❖ Provide two (2) recent passport size photographs.
- ❖ Provide your original national identity card or passport together with a photocopy.
- ❖ If you are a company you will need to provide an original certificate of incorporation together with a photocopy.
- ❖ If you are an organization registered in any other way e.g. Society, you will need to provide the original certificate of registration and photocopy.
- ❖ You will hand in sign the form in presence of your Stockbroker
- ❖ You will be left with the duplicate of account opening form your records.
- ❖ Your Stockbroker will provide you with your own CSD account number. Keep it confidential.
- ❖ You are free to open several CSD account with different stockbrokers.
- ❖ You can migrate from one broker to another simply by completing and signing the exchange transfer form. This form is available from your broker and must be signed by your current stockbroker and your new stockbroker.

The Advantages of Opening a CSD Account

- ❖ It is a faster, easier and safer way of trading at the exchange. Unlike the old system where one needed to wait to be issued with paper certificate, the CSD credit your account with your shares two (2) days after date of trade. T+2.
- ❖ The reduction in the number of transaction days means that you receive your money (if you are selling shares) or shares (if you are buying shares) a lot faster than before.
- ❖ The extra paperwork that was associated with paper certificates was eliminated.
- ❖ The CSD has eliminated problems that were traditionally associated with paper certificates like mutilation, loss.

The CSD has boosted market efficiency and reduced the costs of transactions. In the old system, a new certificate was issued inefficient and time consuming.

The Central System Depository is managed by the Central Bank of Rwanda (BNR).

Through a process called Immobilization, the movement of paper certificates has ceased as all the details previously on paper certificates have been entered into one computerized system, the central Exchange Depository.

Advantages of investing at the Rwanda Stock Exchange

- ❖ The Rwanda Stock Exchange is a fair market place
- ❖ Shares bought or sold at the stock exchange are liquid; this means that it is easy for an investor to quickly convert this investment into cash if the need arises.
- ❖ The price of the shares is determined fairly through the forces of demand and supply.
- ❖ Easy access and exit. There are minimal restrictions if any, to investing at the RSE. You can be a shareholder of a listed company in seconds and exit just as fast.

- ❖ There is continuous reporting of their prices so an investor is always up to date with the status of his/her investment.
- ❖ There is a variety of companies in which one can invest. This allows the investor to diversify his investment in industries that he is attracted to.
- ❖ The shares of most companies at the exchange pay dividends. This way, you make your money work for you.
- ❖ Full and accurate information is available on the listed companies that one is interested in investing in this enables the investor to make informed decisions on where to invest.
- ❖ The Rwanda Stock Exchange provides an avenue through which companies can access capital for growth and expansion.
- ❖ There are strict regulations for the protection of those who buy and sell shares at the Stock Exchange.
- ❖ A vibrant capital market is integral to the overall economic development of Rwanda.