

Share Trading- Frequently Asked Questions

1. How do I open a share-trading (CDS) account?

To open a CDS account, you can either visit Genghis Capital office and complete the physical documents provided. You will need to provide the necessary information in-app, upload a copy of your ID/passport, passport photo, and include a specimen of your signature.

2. Which documents are required to open an individual, joint, or corporate account?

To open an individual, joint, or corporate account, the following documents are required:

- a. For an individual or joint account, you will need to fill out the account opening forms, provide your KRA PIN, and submit a copy of your National ID or Passport.
- b. For corporate accounts, you will need the following documents:
 - National ID or Passport copies of each director and signatory.
 - Colour passport-sized photos of the director and signatory
 - Copy of the Memorandum Articles of Association
 - Board resolution and approval for account opening
 - List of approved account signatories along with their specimen signatures
 - Copy of the Certificate of Incorporation.

3. Which platforms are available for share trading?

At Genghis Capital, you have the following options:

- a. **Online Share Trading Platform (OST):** We offer an online share trading platform that you can access through our website. This platform enables you to buy and sell shares, monitor your portfolio, access market information, and perform various trading activities online.
- b. **Email Trading Instructions:** Another way to trade shares is by sending your trading instructions to clientrelations@genghis-capital.com via email. You can provide the details of the shares you wish to trade, including the quantity, stock symbol, and whether it is a buy or sell order.

4. Can someone trade on my behalf?

Yes. It is possible for someone to trade on your behalf under your instructions but with their guidance. If you would like to connect with an agent for this purpose, please send an email to clientrelations@genghis-capital.com.

5. What are discretionary mandates?

Discretionary mandates refer to investment management arrangements in which a client authorizes a professional investment manager or agent to make investment decisions on their behalf. In a discretionary mandate, the client delegates the authority to the investment manager to select and manage investments based on the client's investment objectives, risk tolerance, and other specified criteria. The investment manager has the discretion to make investment decisions without requiring explicit client approval for each transaction.

6. What are the trading hours?

The trading hours, as per the Nairobi Securities Exchange (NSE), are from 9:30 AM to 3:00 PM, Mondays to Fridays, excluding public holidays.

7. What is the Immobilisation of shares?

The immobilization of shares refers to a process in which physical stock certificates are converted into electronic or digital form. It involves the dematerialization of share certificates, eliminating the need for paper-based securities. Email clientrelations@genghis-capital.com to get assistance with converting your stock certificates.

8. How do I receive my statements?

Statements are sent on a monthly basis if the client has made any trades during that month. Alternatively, you can request a statement by sending an email to clientrelations@genghis-capital.com

9. What is the minimum number of shares one can invest in?

The minimum number of shares that you can buy from the Nairobi Securities Exchange (NSE) is 100 shares. This is called a Lot.

10. What are odd lots?

Odd Lots refer to the number of shares or securities that are not traded in the standard trading unit or "round" lot of 100.

11. How much money is required to invest in shares?

To invest in shares, the required amount of money depends on the specific stock you intend to purchase, and the number of shares.

For instance, if you're interested in buying 100 shares of Safaricom, a telecommunications company listed on the Nairobi Securities Exchange (NSE), and the current trading price is KES 18 per share, you would need KES 1,800 for the shares alone. Additionally, it's important to consider transaction costs associated with the investment.

Remember that this is just an example and actual stock prices vary. It's important to stay updated on the current market prices.

12. How do you know which shares to invest in?

The Genghis Research Team offers trading ideas through the Genghis Weekly Cross Asset Strategy Report, which is shared on our social media platforms and emailed to clients.

13. Can I buy and sell shares on the same day?

Yes, through day trading, it is possible to buy and sell shares on the same day. Day trading involves executing multiple trades within a single trading day, with the objective of profiting from short-term price fluctuations in the market.

14. What does settlement of shares (T+3) mean?

Settlement of shares refers to the process by which ownership of shares is officially transferred from the seller to the buyer, and the corresponding payment for the shares is exchanged. It is the final step in completing a share transaction. Typically, the settlement period for shares involves a specific timeframe known as T+3, which stands for "trade date plus three business days." This means that after the trade is agreed upon, it takes three business days for the funds to be transferred and the shares to be delivered.

15. After how long can I withdraw funds after selling my shares?

After selling your shares, it usually takes T+ 3 working days for the funds to become available for withdrawal.

16. Is it possible to transfer shares from one broker to another?

Yes, it is possible to transfer shares from one broker to another. To initiate a transfer of shares from Broker X to Genghis Capital, you would need to contact Broker X and request 4A 4B forms for share transfer. After completing the required forms, you can submit them to Genghis Capital. We will then facilitate the consolidation of all the shares under your account at Genghis Capital.

17. Are there any charges for opening and running a CDS account?

There are no charges for opening a CDS account. However, it's important to note that there are transaction fees for each trade (please refer to a brokerage fee sheet for a comprehensive breakdown) and a KES 100 account fee that is charged only on the months that there are trades in your account. On months with no trades, you will not pay any fee.

18. What is a dividend?

A dividend is a distribution of profits or earnings that a company pays to its shareholders as a return on their investment in the company's stock. It is typically expressed as a monetary amount per share or as a percentage of the stock's current market price. Dividends are usually paid out regularly, often on a quarterly basis, and they represent a portion of the company's profits that are shared with its shareholders. Dividends are one way for shareholders to receive a direct financial benefit from their investment in the company.

19. How do I receive dividends?

To receive dividends, there are three methods available:

a. M-PESA: You can choose to receive your dividends directly through M-PESA. This involves linking your M-PESA account to your brokerage account. Once the dividends are disbursed, the funds will be transferred to your M-Pesa account.

b. Bank: Another option is to receive dividends directly into your bank account. You need to provide your bank account details. The dividends will be deposited into your bank account.

c. Cheque: If you prefer this method, you need to ensure that your address is up to date with the company or your investment provider. The dividend cheque will be mailed to your registered address, and you can deposit it into your bank account or cash it at your bank.

All dividends earned are subject to withholding tax payable to KRA.

Please note that it is during the account opening process that you select your preferred method of receiving dividends.

20. What should I do if I don't receive my dividends?

If you do not receive your dividends, it is recommended to reach out to the registrar of the company responsible for issuing that company's dividends. Please note that Investment Banks (like Genghis Capital) do not play a role in the distribution of dividends.

21. What is book closure?

Book closure refers to a specific period of time when a company stops making changes to its shareholder register. During this period, shareholders cannot update their ownership details, transfer shares, or make other adjustments to their holdings. The purpose of book closure is to establish a fixed list of shareholders who will be eligible to receive dividends or participate in important company events, such as voting in shareholder meetings.