IN THE CAPITAL MARKETS TRIBUNAL

AT DAR ES SALAAM

MISC. CIVIL APPLICATION CASE NO. 02 OF 2025

GEORGE JARED KIDINDIMA...APPLICANT

(The Administrator of the Estate of the late Jared Nakomolwa Kidindima)

VERSUS

SOLOMON STOCKBROKERS LIMITED.......................................RESPONDENT

RULING

In this application, it is alleged that on 13 May 2020, the applicant filed a complaint with the Dar es Salaam Stock Exchange against the respondent. In the complaint, the applicant blamed the respondent for selling 38,200 CRDB shares belonging to his late father, the late Jared Nakomolwa Kidindima, at the market price of TZS 115 per share instead of TZS 180 per share as per the limit order. The respondent further sold 280,000 shares without the applicant's instructions. On 04 December 2020, the Dar es Salaam Stock Exchange ordered the respondent to restore the 280,000 shares and pay the price difference for 38,000 shares. The respondent appealed to the Capital Markets and Securities Authority, and the dispute was remitted back to the Dar es Salaam Stock Exchange for retrial. It is further alleged by the applicant that after the retrial, the order to restore the 280,000 was maintained, but the respondent has neglected or refused to restore the shares. Now the applicant has filed the instant application seeking an order of this tribunal directing the respondent to comply with the rules of the Stock Exchange and the Dar es Salaam Stock Exchange, and to restore 280,000 shares to the applicant. The applicant further prays for costs of this application and any other costs this tribunal shall deem fit to grant. The application was made by way of chamber application under section 31(1) of the Capital Markets and Securities Act, Cap. 79 RE 2023; Rule 36(1) and (2)(b) of the Dar es Salaam Stock Exchange Rules of 2022 and Order XLIII, Rule 2 of the Civil Procedure Code, Cap. 33 RE 2023. The application is supported by an affidavit deposed by the applicant. In response, the respondent filed a counter affidavit resisting the application.

On the appearance before this tribunal, the applicant prayed to adopt the affidavit and the supplementary affidavit in support of the application. The applicant reiterated that he seeks an order to enforce the decision of the decision of the Dar es Salaam Stock Exchange dated 04 December 2020. In the decision, the DSE Management ordered the respondent to restore 280,000 from CRDB; the respondent was further ordered to compensate for the difference in the price of the shares sold. The respondent sold his father's shares for TZS 115, instead of TZS 180 as directed by the deceased. He further informed the tribunal that this application does not include compensation for the price difference because, 17 days after the DSE Management's decision, i.e., 21 December 2020, the respondent engaged the learned advocate Sinare, who filed a defense challenging the DSE Management's decision. Surprisingly, the DSE Management considered the defense and dropped its directives to pay the price difference. However, the order to restore the 280,000 remained intact, which is the major issue in this case. However, until today, the respondent has not restored the shares; hence, the applicant seeks to invoke Rule 36(2)(b) of the DSE Rules. He further argued that the respondent complied with the Board's decision by paying the fine but failed to restore the shares as ordered.

36(2)(b) of the DSE Rules. He further argued that the respondent complied with the Board's decision by paying the fine but failed to restore the shares as ordered.

Responding to the above submission, the learned Advocate for the respondent, Mr. Sinare Zaharan prayed to adopt the counter-affidavit together with the annexed documents. Mr. Zaharan urged the tribunal to carefully read section 31(1) of the Capital Markets and Securities Act to know whether the prayed reliefs fall under the same section. In his view, the same section does not vest the tribunal with the power to grant the reliefs prayed for by the applicant. The closer reading of the section gives the tribunal the power to follow up on the implementation of the Stock Exchange Rules. The section does not empower the tribunal to execute the DSE's orders. The applicant also referred to Rule 36(1)(2)(b) of the DSE Rules, and it is true that the same rule prohibits a market participant from engaging in misconduct. However, for misconduct to be established, there must be a decision by the DSE Management Committee or the Board. This matter originated with the Management of the Dar es Salaam Stock Exchange. The respondent was not satisfied with the Management's decision, and the matter was tabled before the Listing and Trading Committee (LTC) for discussion, after which it was referred to the Dar es Salaam Stock Exchange's Board. When the matter reached the Board, the Management's decision was overruled because it was made without hearing the respondent and one of the deceased's beneficiaries, Patrick Kidindima. After hearing the testimony of Patrick, the applicant, and the respondent on 03 December 2020, DSE was informed that Patrick Kidindima had ordered the sale of the shares. DSE was now well aware that Patrick Kidindima had authorized the respondent to sell the shares to raise money to treat their mother. The shares were sold under the instructions of the deceased's beneficiaries. Hence, the order to restore was reversed. Therefore, the respondent was simply fined for failing to exercise due diligence in identifying the customer. For that reason, the order to restore 280,000 no longer exists.

Upon rejoining, the applicant argued that the Management's decision to restore shares was given on 04 December 2020 after hearing all the parties. He stressed that the Management's decision was not overturned; the respondent's counsel filed a defense that prevented the respondent from paying the price difference. He further argued that the LTC did not overturn the Management's decision because the Capital Markets and Securities Authority has the power to overturn the DSE's decision.

Having considered the rival arguments of the parties, we find it apposite to revisit the record to facilitate the easy disposal of this application. It is undisputed that the applicant lodged a complaint against the respondent with the DSE. The complaint was lodged on 13 May 2020, in which the applicant was unhappy with the sale of 280,000 shares without his instructions and with the respondent selling 38,200 shares on a market order rather than the limit price specified by the applicant's father. It is also undisputed that the Dar es Salaam Stock Exchange (DSE) framed a charge against the respondent that resulted in the order of restoration of 280,000 shares and compensation of the price difference arising from the sale of 38,200 shares (see annexure GK1 to the applicant's affidavit). Irked with the above order, the respondent appealed to the Capital Markets and Securities Authority (Authority), which directed, *inter alia*, that "*in order to uphold the principle of natural justice of* *being heard, the DSE is required to avail an opportunity to Solomon Stock Brokers to be heard in a meeting at both DSE /Management and Listing and Trading Committee levels."* (See annexture SSL-9 to the respondent's counter affidavit). After the rehearing of the dispute on 20 September 2021 and on 23 September 2021, the DSE made its decision, further confirming that the respondent violated DSE Trading Rules when dealing with the shares of the late Jared Kidindima and that the sanctions against the respondent passed on 26 February 2021 during its 20th Ordinary Meeting stood. The respondent was therefore required to pay a fine of TZS 2,000,000/= within seven days of receipt of the letter (see annexture SSL-11 to the respondent's counter affidavit). The decision was reached after the DSE was informed that the shares were sold at the direction of one of the deceased's beneficiaries, Patrick Kidindima. However, by failing to exercise due diligence in identifying the proper customer, the respondent was ordered to pay the above fine. In our view, the argument that the order to restore the 280,000 shares remains in force is devoid of merit. Even the applicant failed to provide the tribunal with any document cementing his allegation that the retrial still maintained the order to restore the above shares.

In the upshot, we find that the former DSE order directing the respondent to restore the 280,000 shares and pay the price difference for the 38,200 shares was set aside by the Capital Markets and Securities Authority after remitting the dispute back to DSE for retrial. There is nowhere in the records where that order was maintained after the retrial. It seems evident that the respondent was ordered to pay a fine of TZS 2,000,000/= and complied with the order. Therefore, the applicant was supposed to challenge the later order if it was not in his interest. On that basis, we find the application unmeritorious, and we dismiss it. Considering the nature of the dispute, we order no costs; hence, each party is to bear its own costs. Order accordingly.

Dated at **Dar es Salaam**, this 01 July 2026

Hon. Ntemi N. Kilekamajenga, J.
Chairperson
01 July 2026

Mr. Andrew Mkapa
Member
01 July 2026

Ms. Sia B. Mrema
Member
01 July 2026

Mr. Eliab E. Mademe
Member
01 July 2026

CAPITAL MARKETS TRIBUNAL
P. O. Box 1384
DAR-ES-SALAAM

Tribunal: