



GOVERNANCE SUCCESS STORY



Case Study: Stock Exchange – Corporate Governance (Zambia)

The Challenge

The Lusaka Stock Exchange (LuSE) was established with assistance from the International Finance Corporation (IFC) and the World Bank in 1993. Institutional capital raising within Zambia was in its infancy, and poor standards of governance inhibited trust in both the Exchange and the broader market. Vice-Presidential Advisors 'Maysen Borowski' were invited to address this issue with the Exchange, seeking suitable international partners to support measuring and enhancing standards of corporate governance within Zambia.

Using Governance Manager

Governance Manager was deployed at an Exchange level, with all listed entities required to conduct an initial governance assessment against the LuSE Governance Code. The data from the initial assessment was aggregated and published back to all listed entities, identifying overall standards of governance, setting an initial benchmark for the Code, and celebrating pockets of excellence amongst Exchange participants. Over a period of several years, the LuSE progressively introduced more stringent standards of governance as a prerequisite to participate in the Exchange, eventually publishing a governance index to guide investors as to the standard of corporate governance within each of its listed entities.

Outcome Achieved

In January 2022, it was reported that the LuSE topped the list of the Best performing exchanges in Africa with a 93.2% gain, an outstanding result and attributable in part to enhanced standards of governance both within the Exchange and across the its members.

Customer Quote

"The LuSE introduced its own governance code for listed companies, developed with the assistance of Australian firm Blue Zoo. All Africa later called the code a landmark achievement in the development of corporate governance in Zambia."

- **Dr Guy Scott, Vice President of Zambia**