



Compliance with Licensing Requirements

Section 29 of the Capital Markets Act and Regulation 45 of the *Capital Markets (Licensing Requirements) (General) Regulations, 2002*

	Requirement	Met Y/N	Comment
1.	Duly completed application form (Form 1) in duplicate.		
2.	Certificate of incorporation.		
3.	Memorandum and Articles of Association.		
4.	Unaudited accounts for the period of the accounting year ending not earlier than 6 months prior to the date of the application.		
5.	The applicant's audited accounts for the preceding two years (where applicable).		
6.	Evidence of financial capability or investment capital of a minimum of Kshs. 30 million in cash or portfolio of securities and listed shares.		
7.	Business plan		
	<ul style="list-style-type: none"> ▪ Management structure 		
	<ul style="list-style-type: none"> ▪ Directors 		

	<ul style="list-style-type: none"> ▪ Board of Directors which should comprise of: <ul style="list-style-type: none"> ○ A minimum of 3 directors a third of whom must be natural persons ○ At least one third should be independent and non-executive directors ○ Not more than one third of the directors who are close relations of any director <p>A director should not hold more than 2 directorships in market intermediaries unless they are subsidiaries or holding companies</p> 		
	<ul style="list-style-type: none"> ▪ Directors' declaration 		
	<ul style="list-style-type: none"> ▪ Company Secretary 		
	<ul style="list-style-type: none"> ▪ Shareholding Structure 		
	<ul style="list-style-type: none"> ▪ Name and competencies of Chief Executive 		
	<ul style="list-style-type: none"> ▪ Name and competencies of the Chief Dealer which must be relevant to effectively manage or operate the business of dealing in fixed income securities. 		
	<ul style="list-style-type: none"> ▪ Operating system including dealing infrastructure suitably located and equipped to effectively carry out its operations. 		
	<p>A Risk Management framework in place.</p>		
	<ul style="list-style-type: none"> ▪ Bank reference 		
	<ul style="list-style-type: none"> ▪ Business References 		
	<ul style="list-style-type: none"> ▪ Details of premises 		
	<ul style="list-style-type: none"> ▪ Details of staff Please note the requirement for chief financial officer, risk 		

	management officer, compliance officer and internal audit functions as per the Corporate Governance Regulations. The internal auditor and chief financial officer must be members of ICPAK and the internal auditor must not be the compliance officer.		
	<ul style="list-style-type: none"> ▪ Auditor 		
	<ul style="list-style-type: none"> ▪ Letter of No objection from primary regulator. 		
8.	Physical inspection of facilities.		
9.	Due Diligence on the Chief Dealer.		
10.	<p>Fit and Proper documentation for Directors and Key Personnel* including:-</p> <ul style="list-style-type: none"> ▪ Duly filled and executed Fit & Proper Forms; ▪ Duly certified Police Clearance Certificate copies; ▪ Duly certified National Identification Cards or Passport copies; ▪ Comprehensive Curriculum; and ▪ Passport photographs. 		
12.	Application Fees		

* Key personnel is defined in the Capital Markets Act “a person who manages or controls the activities of a licensed or a regulated person and includes:-

(a) the chief executive officer, chief financial officer, chief compliance officer, secretary to the Board, chief internal auditor or any manager; and

(b) any person who holds a position or discharges responsibilities of any person referred to in paragraph (a);”