

INTERMEDIARY SERVICE PLATFORM PROVIDER CHECKLIST



Compliance with License Requirements

Section 29 of the Capital Markets Act, Part VIII of the Capital Markets (Licensing Requirements) (General) Regulations 2023, Part V, Division D of the Capital Markets (Collective Investments Scheme) Regulations, 2023. and the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011

	Requirement	Met Y/N/ NA	Comment
1.	Duly completed application Form (Form 1 set out in the First Schedule) in duplicate		
2.	Certified copy of the Certificate of incorporation		
3.	A certified copy of the Company's Memorandum and Articles of Association		
4.	Written Agreement with a Licensed Intermediary shall at the minimum set out: <ul style="list-style-type: none"> (i) roles to be played by the parties including their rights and duties; (ii) extent of liabilities of the parties to the agreement; (iii) dispute resolution mechanisms; (iv) complaints handling procedures; and (v) investor protection mechanisms 		

	Requirement	Met Y/N/ NA	Comment
5.	Business Plan		
	A full explanation of the capital markets related business, its background (including its legal structure and creation) and what it is intending to do		
	The companies target market and clientele i.e., whether a firm has identified a specific business opportunity or customer base. Further the firm should identify and acknowledge the existing competition		
	The business model to be adopted by the company. Disclosure on how it will earn revenue whether by charging agency commission management fee, profit sharing etc. and disclosure of how revenue is earned whether per transaction, per annum, percentage of transaction etc.		
	The company's objective both short term and long-term (for example, intended market share, aims and assets under management		
	Any long-term strategy and expansion plans		
	A clear view on the company's target market, key customers, distribution, products and pricing		
	The expected customer experience of the business from day one		
	Details of the company's intended investment strategies, fees and remuneration policies, governance framework and key personnel		
	What experience the company's principals have of the type of regulated activities it plans to conduct		

	Requirement	Met Y/N/ NA	Comment
	The employment background, experience and relevant qualifications of all individuals who will be performing significant influence-controlled functions and how this will help them with their role		
	Financial projections (including income statement and balance sheet) for three years, (these can be sent separately with the financial accounts) including working capital requirements which should include the supporting rationale behind the key line items projected and a demonstration of when the business is expected to break even.		
	Any other activity that the company may engage in that reasonably could have a material impact on the net capital within the first twelve months of business operations. N/B (This can however be sent separately with the financial accounts)		
	Any other dependencies and business risks		
	Exit arrangements in case the company wishes to discontinue business. Disclosure of how clients will be refunded and transfer of assets etc.		
	The company's marketing strategy		
	Details of any outsourcing plans or other key operational matters		
	An analysis of key conduct risks		
6.	Evidence of adequate capital (a letter from an independent external auditor confirming the adequacy of the operating capital), office and human		

	Requirement	Met Y/N/ NA	Comment
	resources necessary for the efficient conduct of its business and operations		
7.	Cyber security policies and procedures		
8.	Have a call center or establish electronic channels for addressing customer enquiries and complaints		
9.	Detailed information of the platform to be used including system capacity and security measures		
10.	Business Continuity and Disaster Recovery Plan		
11.	Record Keeping Procedures		
12.	Adequate risk management framework		
13.	Complaints handling procedure		
14.	Data protection policy		
15.	Anti-Money Laundering Policy		
16.	Have a policy for the appointment of employees		
17.	Details of premises		
18.	Operating and IT system (describe the system in place or the system to be put in place once licensed)		

	Requirement	Met Y/N/ NA	Comment
19.	Duly filled and executed Fit & Proper Forms for directors and key personnel		
20.	Valid certified copies of Police Clearance Certificates and identification cards together with passport photos for directors and key personnel		
21.	Proof of Payment of Application fee of Kes. 10,000.00		

ⁱ The checklists issued by the Capital Markets Authority Kenya (CMA) are intended to provide clarity and assistance in navigating regulatory requirements. However, it is important to note that these checklists are not intended to serve as a substitute for reading and comprehending the regulations themselves. Individuals and entities subject to regulatory oversight should familiarize themselves with the applicable laws, rules, and regulations, and seek appropriate legal or professional advice as needed. The checklists provided by the Capital Markets Authority are meant to supplement, not replace, a thorough understanding of regulatory obligations.