

AUTHORIZED SECURITIES DEALER



Compliance with License requirements

Section 29 of the Capital Markets Act, Part VI of the Capital Markets (Licensing Requirements) (General) Regulations, 2002 and the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations, 2011

	Requirement	Met Y/N/ N/A	Comment
1.	Duly completed and executed application form (Form 1) in duplicate.		
2.	Certified copy of the certificate of Incorporation.		
3.	Certified copy of the Memorandum and Articles of Association (with objects that authorize the company to carry out the business for which the license is sought).		
4.	Accounts (6 months unaudited +2 years where relevant).		
	Paid up share capital ($x \geq$ Kes. 50,000,000).		
	Evidence of minimum paid up share capital.		
	Shareholders' funds ($x \geq$ Kes. 50,000,000).		
	Liquid capital ($x \geq$ The higher of Kes. 30,000,000 or 8% of total liabilities).		
	Evidence of financial capability or investment capital of a minimum of Kes. 30 million in cash or portfolio of securities and listed shares.		

5.	Business plan with details of the following:		
	Management Structure		
	<p>Board of Directors which should comprise of:</p> <p>A minimum of 3 directors a third of whom must be natural persons.</p> <p>At least one third should be independent and non-executive directors.</p> <p>Not more than one third of the directors who are close relations of any director.</p> <p>The Chairman of the Board must be a Non-Executive Director.</p> <p>A director should not hold more than 2 directorships in market intermediaries unless they are subsidiaries or holding companies.</p>		
	Company Secretary (<i>Disclose the name of an individual and ICPSK Number</i>).		
	Shareholding Structure, detailing the number of shares, the percentage holding and including the ultimate beneficial shareholding of all corporate shareholders and any existing Trusts if applicable.		
	Name and competencies of chief executive.		
	Financial Projections for 3 years.		

	Operating and IT system (describe the system in place or the system to be put in place.		
6.	External Auditor.		
7.	Details of Premises.		
8.	<p>Details of staff (please note the requirement for risk management, compliance officer and internal audit functions as per the Corporate Governance Regulations)</p> <p>The internal auditor and chief financial officer must be members of ICPAK and the internal auditor must not be the compliance officer)</p>		
9.	<p>Submission of a board charter that:</p> <p>Confirms the Board’s responsibility for adoption of strategic plans, monitoring the operational performance, the determination of policies and processes that ensure the intermediary’s risk.</p> <p>Reserves specific powers to itself and delegates other matters to the management of a market intermediary</p> <p>Provides a code of conduct that addresses conflict of interest relating to directors and management which shall be regularly reviewed and updated as necessary.</p> <p>Identifies the key risk areas that require regular monitoring</p>		

	Clear separation of roles and responsibilities of the chairman and chief executive		
10.	Have a policy for appointment of employees		
11.	Have a risk management framework in place		
12.	Two (2) letters of business reference		
13.	One (1) letter of bank reference.		
14.	Letter from A Securities Exchange confirming they will admit the firm upon licensing		
15.	Comprehensive Curriculum Vitae for Directors and Key Personnel.		
16.	Duly filled and executed Fit and Proper Form Directors and Key Personnel		
17.	Valid certified copies of Police Clearance Certificates for directors and key personnel.		
18.	Application Fees (Kes. 2,500).		