



ALTERNATIVE INVESTMENT FUNDS CHECKLISTⁱ

Regulation 4, First and Second Schedule of the Capital Markets (Alternative Investment Funds) Regulations, 2023.

1. DOCUMENTS IN SUPPORT OF THE APPLICATION

Required Documents	
1	Duly Completed Application Form (as per Schedule 1)
2	Placement Memorandum
3	Trust Deed/Partnership deed/Memorandum and articles of incorporation
4	Particulars of the Promoter
5	Management Agreement
6	Custody Agreement
7	Rules of the Scheme
8	Affidavit
9	Business Plan
10	Audited reports for the preceding 3 years of the proposed fund manager
11	Audited reports for the preceding 3 years of the proposed trustee
12	Audited reports for the preceding 3 years of the proposed custodian
13	Proof of an application fee of Kshs. 10,000.

2. FORMATION DOCUMENTS DISCLOSURE REQUIREMENTS

No.	Requirement	Met: Y, N, or N/A	Comments
1	<p>General Information</p> <p>a) Name, address of the registered office, address for correspondence and principal place of business, telephone number(s), and e-mail address of the applicant.</p> <p>b) Name, direct line number, mobile number, and e-mail of the contact person(s).</p>		

No.	Requirement	Met: Y, N, or N/A	Comments
	<ul style="list-style-type: none"> c) Legal structure of applicant - Whether the applicant is a company or trust or limited liability partnership or any other body corporate. d) Date and place of incorporation/ establishment. e) Asset classes for which registration of the alternative investment fund is applied. f) Whether the applicant or its associates is/ are registered with the Authority or any other regulatory authority in any capacity along with the details of its registration. g) Details of infrastructure for conducting activities as an alternative investment fund h) Copy of the draft placement memorandum. 		
2	<p>Alternative investment fund as a Trust:</p> <ul style="list-style-type: none"> a) Written submission on the activities of the applicant. b) Registration documents to be attached. c) State whether the trust deed permits the carrying on of the activity of an alternative investment fund. d) State whether the applicant is prohibited by its trust deed from making an invitation to the public to subscribe to its participatory interests. e) Trustee details and copy of the proposed contract between the fund manager and the trustee as required in terms of these regulations. 		
3	<p>Alternative Investment Fund as a company:</p> <ul style="list-style-type: none"> a) Written submission on the activities of the applicant. b) Shareholding structure and profile of the directors (Enclose Identity proof and address proof of the directors) c) Incorporation documents to be attached. d) State whether the incorporation documents permit carrying on of the activity of an alternative investment fund (Enclose relevant extract of the memorandum of association). e) State whether the applicant is prohibited by its articles of association from making an invitation to the public to subscribe to its securities. f) Provide details of custodian and copy of the proposed 		

No.	Requirement	Met: Y, N, or N/A	Comments
	contract between the alternative investment fund and the custodian as required in these regulations.		
4	Alternative Investment Fund as a Limited Liability Partnership: <ol style="list-style-type: none"> a) Written submission on the activities of the applicant. b) Beneficial ownership structure and profile of the partners (Enclose Identity proof and address proof of the partners). c) Attach copy of the partnership agreement/deed. d) State whether the applicant is prohibited by its partnership deed from making an invitation to the public to subscribe to its securities. e) Trustee details and a copy of the proposed contract between the alternative investment fund and the trustee as required in these regulations. 		
5	The fund shall not accept from a participant, an initial investment of less than one million Kenya shillings. The participant must maintain the minimum investment in book value throughout the duration of their investment in the fund.		
6	A fund shall not solicit or collect funds except by way of private placement.		
7	The Placement Memorandum shall contain		
	Material information about the fund and the fund manager		
	Background of the key investment team of the fund manager		
	Targeted investors (A fund shall not have more than one hundred participants/investors)		
	A statement that the directors, trustees or partners are liable for the correctness of the statements contained therein		
	Conditions or limits on redemption		
	Disclosure of all related fees		
	Investment strategy		
	Risk management framework		
	Key service providers;		
	Conflict of interest and procedures to identify and address them;		
	Enforcement history if any.		

No.	Requirement	Met: Y, N, or N/A	Comments
	The terms and conditions on which the fund manager offers investment services.		
	Its affiliations with other intermediaries.		
	Dispute resolution mechanisms.		
	Manner of winding up of the fund.		
	Such other information may be necessary for an investor to make an informed decision.		
8	Details of the Custodian		
9	Auditor (in good standing with the Institute of Certified Public Accountants of Kenya)		
10	A valuation policy, procedures, and methodology for valuing assets including discount rates and reference prices where applicable.		
11	Business Plan		
	Investment objective and investment style/ strategy of the alternative investment fund.		
	The target investors		
	The target industries/ sectors, if any		
	Proposed scheme assets		
	Proposed fees to the fund manager		
	Tenure/duration of the AIF or scheme		
	Details of the proposed use of leverage		
12	Other Information/Declarations		
	Amount contributed/ proposed to be contributed by the fund manager along with details of the same. (Provide copies of commitment letters from the fund manager).		
	Whether the fund manager, trustee or custodian or any of their associates are fit and proper persons based on the criteria specified in the Capital Markets (Licensing) (General) Regulations; (Enclose a		

No.	Requirement	Met: Y, N, or N/A	Comments
	declaration to that effect).		
	Declaration that the applicant shall comply with the provisions of these Regulations with respect to investment in the alternative investment fund.		
	Declaration that the applicant shall comply with the provisions of these Regulations with respect to general investment conditions and conditions for the applicable category.		

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.