

Access to information Officers

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Who We Are

The Capital Markets Authority (CMA) is an independent public agency established by an Act of Parliament, Cap 485 A under The National Treasury and Planning. The Authority came into being on December 15, 1989 when the Act was passed and was inaugurated in March 1990.

The CMA is a regulating body charged with the prime responsibility of supervising, licensing and monitoring the activities of market intermediaries, including the stock exchange and the central depository and settlement system and all the other persons licensed under the Capital Markets Act. It plays a critical role in the economy by facilitating mobilization and allocation of capital resources to finance long term productive investments.

What We Do

The Authority derives its powers to regulate and supervise the capital markets industry from the Capital Markets Act and the Regulations issued there under. The regulatory functions of the Authority as provided by the Act and the regulations include the following:

- Licensing and supervising all the capital market intermediaries
- Ensuring proper conduct of all licensed persons and market institutions.
- Regulating the issuance of the capital market products (bonds, shares etc)
- Promoting market development through research on new products and institutions.
- Promoting investor education and public awareness
- Protecting investors' interest

Composition of the Board

The Board provides the overall policy direction and leadership to the Authority. Its commitment, professionalism, diversity of talent and experience and independence of mind are critical factors in the successful execution of the mandate of the Authority. The primary responsibility of the board is the protection of the interest of investors, the government, employees, issuers of securities and the market intermediaries.

The board of directors of the Authority consists of –

1. A Chairman appointed by the President on the recommendation of the Cabinet Secretary of The National Treasury and Planning;
2. Six other members appointed by the Cabinet Secretary;
3. The Principal Secretary of the National Treasury and Planning or a person deputed by him;
4. The Governor of the Central Bank of Kenya or a person deputed by him;
5. The Attorney General or a person deputed by him;
6. The Chief Executive of the Authority, who serves for a four-year term and is eligible for re-appointment for another four-year term.

The chairman and the six members are persons who have experience and expertise in legal, financial, banking, accounting, economics or insurance matters, serve for a period of three years and are eligible for re-appointment for another three years.

How We Regulate and Develop the Capital Markets

The Authority, led by the Board of Directors and supported by the Chief Executive together with the management, carries out its mandate of regulating and developing the Kenyan capital markets through a regulatory framework that is deliberately designed to meet this objective.

The Enabling Legislation

Just like any other industry, the capital markets industry operates within a certain regulatory framework which the players in this industry must adhere to in the course of offering their services. Since inception, the Authority has strived to deepen and broaden the capital markets by developing a regulatory framework that facilitates the development of new financial products and institutions through research and ensuring fairness and orderliness in the capital markets industry. The regulatory framework of the Authority is comprised of the following:

Main Acts

1. The Capital Markets Act;
2. The Central Depositories Act, 2000

Regulations and Rules

1. The Capital Markets (Collective Investment Schemes) Regulations, 2001
2. The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002
3. The Capital Markets (Licensing Requirements) (General) Regulations, 2002
4. The Capital Markets (Takeovers and Mergers) Regulations, 2002
5. The Capital Markets (Foreign Investors) Regulations, 2002
6. The Capital Markets Tribunal Rules, 2002
7. The Capital Markets Asset-Backed Securities Regulations 2007

8. The Capital Markets (Registered Venture Capital Companies) Regulations 2007.
9. The Capital Markets (Conduct of Business) (Market Intermediaries) Regulations 2011
10. The Capital Markets (Corporate Governance) (Market Intermediaries) Regulations, 2011
11. The Capital Markets (Demutualization of the Nairobi Securities Exchange Limited) Regulations 2012
12. The Capital Markets Futures Exchanges Licensing Requirements Regulations 2013
13. The Capital Markets Real Estate Investment Trusts Collective Investment Schemes Regulations 2013
14. The Capital Markets (Online Foreign Exchange Trading) Regulations, 2017
15. The Capital Markets (Securities Lending, Borrowing and Short Selling) Regulations, 2017

Guidelines and Codes

1. Guidelines on Corporate Governance Practices by Public Listed Companies
2. Guidelines on the Approval and Registration of Credit Rating Agencies
3. Guidelines on Financial Resource Requirements for Market Intermediaries
4. Management Supervision Internal Guidelines, 2012
5. Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015
6. Stewardship Code for Institutional Investors, 2017

The above Acts, Regulations, Guidelines as well as Codes are what the Authority uses to supervise and regulate the market intermediaries. The regulatory framework is crafted in such a way that it encourages self-regulation to the maximum practical extent. For more information on regulations please refer to the Regulatory Framework section of the website.

Who Are Our Licensees

- The Authority licenses the following categories of market players:
- Securities Exchanges
- Central Depositories
- Investment Banks
- Stockbrokers
- Dealers
- Investment Advisers
- Fund Managers
- Authorized Securities Dealers
- Authorized Depositories (Custodians)
- Credit Rating Agencies
- Venture Capital Companies
- Online foreign exchange market players

