

# AUTHORIZED DEPOSITORIES



## Compliance with License requirements

Section 29 of the *Capital Markets Act and Part VI of the Capital Markets (Licensing Requirements) (General) (Amendment) Regulations, 2007 and the Capital Markets (Corporate Governance)(Market Intermediaries) Regulations, 2011*

	Requirement	Met Y/N/NA	Comment
1.	Duly completed application form (Form 1) in duplicate		
2.	Certified copy of Certificate of Incorporation		
3.	Memorandum and Articles of Association ( <i>with objects that authorize the company to carry out the business for which the license is sought</i> )		
4.	Accounts (6 months unaudited +2 years where relevant)		
5.	Business plan with details of the following		
	<ul style="list-style-type: none"> <li>▪ Management structure</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Board of Directors which should comprise of:                             <ul style="list-style-type: none"> <li>- A minimum of 3 directors a third of whom must be natural persons</li> <li>- At least one third should be independent and non-executive directors</li> <li>- Not more than one third of the directors who are close relations of any director</li> </ul> </li> </ul>		
	<ul style="list-style-type: none"> <li>▪ A director should not hold more than 2 directorships in market intermediaries unless they are subsidiaries or holding companies</li> <li>▪ The Chairman of the Board must be a non-executive Director</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Shareholding Structure detailing the number</li> </ul>		



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	of shares, the percentage holding and including the ultimate beneficial shareholding of all corporate shareholders and any existing Trusts if applicable.		
	<ul style="list-style-type: none"> <li>▪ Name and competencies of Chief Executive</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Financial projections for 3 years</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Operating and IT system (<i>describe the system in place or the system to be put in place once licensed</i>)</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ External Auditor</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Details of premises</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ 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)</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Directors' declaration</li> </ul>		
	<ul style="list-style-type: none"> <li>▪ Company Secretary (indicate name of individual and CPS Number)</li> </ul>		
6.	Two (2) letters of business reference		
7.	One (1) letters of bank reference		
8.	Submission of a board charter that: <ul style="list-style-type: none"> <li>▪ confirms its responsibility for adoption of strategic</li> </ul>		



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	<p>plans, monitoring operational performance, the determination of policies and processes that ensure the intermediary's risk management and internal controls;</p> <ul style="list-style-type: none"> <li>▪ reserves specific powers to itself and delegates other matters to the management of a market intermediary</li> <li>▪ provides a code of conduct that addresses conflict of interest relating to directors and management which shall be regularly reviewed and updated as necessary;</li> <li>▪ identifies the key risk areas that require regular monitoring.</li> </ul>		
9.	Clear separation of roles and responsibilities of the chairman and chief executive.		
10.	Have a policy for appointment of employees		
11.	A Risk Management framework in place		
12.	Comprehensive Curriculum Vitae of Directors and Head of Custodial Services		
13.	Duly filled and executed Fit & Proper Form for directors and Head of Custodial Services		
14.	Valid certified copies of Police Clearance Certificates for the Directors and Head of Custodial Services		
15.	Application Fees (Kshs. 2,500)		