

## 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"> <li>(i) roles to be played by the parties including their rights and duties;</li> <li>(ii) extent of liabilities of the parties to the agreement;</li> <li>(iii) dispute resolution mechanisms;</li> <li>(iv) complaints handling procedures; and</li> <li>(v) investor protection mechanisms</li> </ul>		

	Requirement	Met Y/N/ NA	Comment
5.	<p>Business plan detailing:</p> <ul style="list-style-type: none"> <li>i) the nature of the service of the platform;</li> <li>ii) how the platform will help deliver value to the capital markets ;</li> <li>iii) financial projections among others;</li> <li>iv) A full explanation of the capital markets-related business, its background (including its legal structure and creation) and what it is intending to do;</li> <li>v) The company's 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;</li> <li>vi) The business model to be adopted by the company;</li> <li>vii) 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.;</li> <li>viii) The company's short- and long-term objectives Any long-term strategy and expansion plans;</li> <li>ix) A clear view of the company's target market, key customers,</li> </ul>		

	Requirement	Met Y/N/ NA	Comment
	<p>distribution, products, and pricing;</p> <p>x) The expected customer experience of the business from day one;</p> <p>xi) Details of the company's intended investment strategies, fee and remuneration policies, governance framework (including the organizational structure) and key personnel;</p> <p>xii) The experience of the company's principals to undertake the proposed regulated activities it plans to conduct;</p> <p>xiii) The employment background, experience and relevant qualifications of all staff who will be performing significant influence-controlled functions and how this will help them with their role;</p> <p>xiv) Financial projections (income statement and statement of financial position) for three years, (these can be sent separately with the financial statements) 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;</p>		

	Requirement	Met Y/N/ NA	Comment
	<p>xv) Any other activity that the company may engage in that reasonably could have a material impact on net capital within the first twelve months of business operations. N/B (This can however be sent separately with the financial statements);</p> <p>xvi) An analysis of any key third party relationships;</p> <p>xvii) Exit arrangements in case the company wishes to discontinue business. Disclosure of how clients will be refunded and transfer of assets etc;</p> <p>xviii) The company's marketing strategy;</p> <p>xix) Details of any outsourcing plans or other key operational matters;</p> <p>xx) An analysis of key risks and mitigation strategies; and</p> <p>xxi) Corporate governance structure with disclosures on shareholding and details of ultimate beneficial shareholders.</p>		
6.	Evidence of adequate capital ( a letter from an independent external auditor confirming the adequacy of the operating capital), office and human resources necessary for the efficient conduct of its business and operations		
7.	Cyber security policies and procedures		

	Requirement	Met Y/N/ NA	Comment
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)		
19.	Duly filled and executed Fit & Proper Forms for directors and key personnel		
20.	Valid certified copies of Police Clearance		

	Requirement	Met Y/N/ NA	Comment
	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		