

CHECKLIST FOR SELF REGULATORY ORGANISATION

Part II A of the Capital Markets Act and the Fourth Schedule of the Capital Markets (Licensing Requirements) (General) Regulations 2025

"self-regulatory organization" means an organization whose object is to regulate the operations of its members or of the users of its services and includes the organizations that may be recognized as such, by the Authority.

A Self-Regulatory Organization (SRO) is envisaged to be an already licensed entity eg. An Exchange.

	Requirement	Met Y/N/ NA	Comment
1.	Duly completed application Form (Form 1 set out in the First Schedule)		
2.	Certified copy of the Certificate of incorporation		
3.	Certified copy of Articles and Memorandum of Association		
4.	Specify the functions and powers that the organization is seeking to exercise upon recognition.		
5.	Constitution and internal rules and policies which are consistent with the Capital Markets Act or related legislation. Rules shall be specific to: i) management structures and shareholding rights of the self-regulatory organization taking into consideration the interests, rights and liabilities of its members, consumers, investors and users of their services; ii) rules of membership and conditions for approval and admission of members; iii) the procedure for dispute resolution between members, users, investors and their clients and the right of appeal to the Authority or other relevant primary regulator; iv) the rules and procedures of the self-regulatory organization relating to reporting and accountability to any		

	primary regulator other than the Authority; and v) mechanisms of protecting personal data of the data subjects in compliance with the Data Protection Act (Cap. 411C).		
6.	Demonstrate capacity and financial and administrative resources necessary or desirable to carry out its functions as a self-regulatory organization, including dealing with a breach of the law or of any other applicable standards or guidelines		
7.	Fit and Probity Assessment documents (For substantial shareholders (Fifteen percent holding), Directors and Key Personnel) a. Comprehensive Curriculum Vitae for directors and Key personnel, including updated email addresses of former employers and referees b. Duly filled and executed Fit and Proper forms for Directors and Key personnel c. Valid certified copies of Police Clearance Certificate for Director and key personnel d. National ID / Passport Bio Data page e. Passport photo f. Credit reference Bureau certificate.		
8.	Details of the Independent External Auditor		
9.	Details of physical premises		
10.	Submit audited financial statements at the point of submission.		
11.	Financial year (January 1 st to 31 st December)		
12.	Evidence of competent personnel for the carrying out of its functions.		
13.	Evidence of Payment of application fees of ksh. 10,000 Payable Via E-citizen.		
14.	Submission of a complete application through E-Citizen and delivery of physical application at the Authority's Offices		



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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.