



TRUSTEE CHECKLIST

Compliance with License Requirements

PART IV of the Capital Markets Act, Part XI and the Fourth Schedule of the Capital Markets (Licensing Requirements) (General) Regulations 2025 and the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011

A Trustee shall be a person holding title to the assets of a collective investment scheme on trust for the participants and shall oversee the operations of the scheme, and includes the board of directors of an investment company or the manager of a Limited Liability Partnership

	Requirement	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 (<i>with objects that authorize the company to carry out the business for which the license is sought</i>)		
4.	Certified Copy of CR12 and Beneficial Ownership document from Business Registration Services		
5.	Audited accounts for the preceding two years, where applicable, and unaudited financial statements for the period of the accounting year ending not earlier than six months prior to the date of application.		
6.	Financial year of trustee shall end on 31 st December each year		
7.	Initial and continuous issued share capital of at least 20 million which shall always be unimpaired and shall not be advanced to the directors or associates of the Trustee		

8.	Shareholders' funds of Kshs. 20 million (paid up share capital and reserves)		
9.	Minimum liquid capital of five million shillings or 8 percent of its liabilities, whichever is higher, must be maintained throughout the duration of the license		
10.	Financial projections (income statement and statement of financial position) for three years		
11.	Sufficient financial, technical operational, and technological resources and experience necessary to enable it effectively conduct its business and carry out its obligations as a trustee		
12.	Have in place adequate system, policies, processes, procedures and the necessary control environment to conduct its business		
13.	A business plan shall include- a) A full explanation of the capital markets-related business, its background (including its legal structure and creation) and what it is intending to do. b) 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. c) The business model to be adopted by the company. 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. d) The company's short- and long-term objectives Any long-term strategy and expansion plans. e) A clear view of the company's target market, key customers, distribution, products, and pricing. f) The expected customer experience of the business from day one.		

	g) Details of the company's intended investment strategies, fee and remuneration policies, governance framework (including the organizational structure) and key personnel h) The experience of the company's principals to undertake the proposed regulated activities it plans to conduct. i) 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. j) 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. k) 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). l) An analysis of any key third party relationships m) Exit arrangements in case the company wishes to discontinue business. Disclosure of how clients will be refunded and transfer of assets etc. n) The company's marketing strategy. o) Details of any outsourcing plans or other key operational matters. p) An analysis of key risks and mitigation strategies. q) Corporate governance structure with disclosures on shareholding and details of ultimate beneficial shareholders.		
14.	Letter of no-objection from the primary regulator, if any		
15.	Adequate insurance cover commensurate to its liabilities		

16.	Details of the proposed independent external auditor		
17.	Details of the following: i. Board of Directors which should comprise of: ii. A minimum of 3 directors a third of whom must be natural persons. iii. At least one third should be independent and non-executive director. iv. Not more than one third of the Directors are close relations of any director. A director should not hold more than two directorships in market intermediaries unless they are subsidiaries or holding companies.		
18.	The Chairman of the of the Board must be an independent non-executive director		
19.	Company Secretary (<i>Disclose the name of an individual and ICPSK Number</i>)		
20.	Details of Shareholding Structure, including: i. the number of shares, ii. the percentage holding, and iii. the ultimate beneficial shareholding of all corporate shareholders and any existing Trusts if applicable. Please also disclose whether any of the shareholders will have an executive role to oversee the day-to-day operations of the business. (Note that the shareholding structure requirements are stipulated under section 29(5) of the Capital Markets Act)		
21.	Details of staff 21.1 Details, qualifications, experience, and		

	expertise of: i. the chief executive, and ii. key staff including; Chief Finance Officer, Internal Auditor, MLRO, Compliance Officer and Company Secretary that must be relevant to effectively manage or operate the business of a trustee iii. Name and competencies of Head of Trustee Business 21.2 Please note the requirement for the chief financial officer, risk management officer, compliance officer and internal audit functions as per the Corporate Governance Regulations. 21.3 The internal auditor and chief financial officer must be members of ICPAK in good standing and the internal auditor must not be the compliance officer)		
22.	Particulars of the proposed Operating and IT system		
23.	Evidence of staff capable of providing professional services to clients in the field of activity to which the license relates or evidence acceptable to the Authority that such staff will be available.		
24.	Directors' declaration as required under paragraph 1(e) of the Application Form		
25.	Declaration by the persons authorized as prescribed under form 1 in the first schedule		
26.	Submission of a board charter that: i. confirms the Board's responsibility for		

	adoption of strategic plans, monitoring operational performance, the determination of policies and processes that ensure the intermediary's risk management and internal controls; ii. reserves specific powers to itself and delegates other matters to the management of a market intermediary iii. provides a code of conduct that addresses conflict of interest relating to directors and management which shall be regularly reviewed and updated as necessary iv. Identifies the key risk areas that require regular monitoring		
27.	Clear separation of roles and responsibilities of the Chairman and the Chief Executive Officer		
28.	Data Protection Policy in line with the Data Protection Act 2019		
29.	Note to provide: i. Anti-Money Laundering policy, ii. Know your client procedures, and iii. Counter financing of terrorism that are compliant with the AML/CFT Legal framework.		
30.	Details of physical premises		
31.	Have a policy for the appointment of employees.		
32.	A Risk Management Framework in place		
33.	Two (2) letters of business reference		
34.	One letter of bank reference		
35.	Fit and Probity Assessment Documents for directors, key personnel and substantial		

	shareholders: a) Duly completed Fit and Proper form b) Up to date Curriculum Vitae, including updated email addresses of former employers and referees c) Copy of Police Clearance Certificate issued within the last twelve months d) Copy of National Identity Card / Passport Biodata Page e) Passport-sized Photograph f) Clearance Certificate from Credit Reference Bureau g) Evidence that the directors have undergone relevant training on corporate governance (provided that the market intermediary shall ensure that any person appointed as a director undergoes the training within six months of appointment).		
36.	Application fees (Kshs. 10,000) payable via E-Citizen		
37.	Submission of a complete application through E-Citizen and delivery of physical application at the Authority's Offices		

i

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.