



## ELIGIBILITY AND DISCLOSURE REQUIREMENTS FOR ISSUANCE OF REGIONAL FIXED INCOME SECURITIES

*Regulation 11 (E) and the Fourth Schedule of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2023*

### 1. DOCUMENTS IN SUPPORT OF APPLICATION

	Requirement
1.	Information Memorandum
2.	Trust and Trust Deed
3.	Certified Copy of the Certificate of Incorporation of Applicant
4.	Certified Copy of the Memorandum and Articles of Association of Applicant
5.	Certified copy of Board of Directors Resolution recommending listing by introduction
6.	Certified copy of Shareholders Resolution approving listing by introduction
7.	Legal Opinion
8.	Reporting Accountants' report
9.	Audited financial statements / annual report for the last three financial years. NOTE: The issuer must have audited financial statements complying with International Financial Reporting Standards (IFRS) for an accounting period ending on a date not more than four months prior to the proposed date of the offer.
10.	Introduction price valuation reports
11.	Underwriting Agreement (if applicable)
12.	Draft Agreements between the issuer and the members of the transaction team

## 2. ELIGIBILITY REQUIREMENTS FOR ISSUANCE OF REGIONAL FIXED INCOME

REQUIREMENT	REQUIREMENTS FOR ISSUANCE OF REGIONAL FIXED INCOME	MET YES/NO/ N/A	COMMENTS
<b>Eligibility to issue</b>	fixed income securities approved for issue in multiple East African Community shall be considered as a regional offer and shall comply with the relevant regulations, rules or guidelines applicable to securities issuers in each jurisdiction in which the issue has been made.		
<b>Approval entity</b>	The issuer shall elect a primary jurisdiction in which the issuer shall lodge the prospectus. The issuer shall simultaneously submit the prospectus to the regulators of other jurisdictions which the issuer proposes to raise capital for approval.		
<b>Issuer</b>	The issuer shall be an entity incorporated or registered as a foreign entity in all jurisdictions where the offer is to be made.		
<b>Incorporation status</b>	Where the issuer is not a company, then the issuer shall be duly established under a written law or recognized under an international treaty.		
<b>Share Capital</b>	The minimum paid-up share capital shall be the local currency equivalent of United States of America dollars 850,000.		
<b>Net Assets</b>	The net assets shall be the local currency equivalent of United States of America dollars 1,700,000.		
	All sovereign borrowers, quasi-sovereign borrowers and treaty organizations are exempted from the share capital and net assets requirements.		
<b>Profitability</b>	An issuer, other than a special purpose vehicle, shall be required to have reported profits in at least two of the previous three years preceding the offer.		
<b>Exemption of SPVs</b>	A special purpose vehicle (other than a Special Purpose Acquisition Company) without a track record may raise capital and such special purpose vehicle shall be subjected to disclosure requirements on performance projections, risk factors and mitigations and on the availability of financial information to assess any projections made.		

	An issuer that is an SPV shall be eligible for approval to make offers to institutional or sophisticated investors but not unrestricted offers to the public.		
<b>Issue size.</b>	The minimum size of a regional fixed income security issue shall be the local currency equivalent of United States of America dollars 850,000		
	An issuer may raise funds in any jurisdiction in the region without restriction on the jurisdiction where proceeds are to be used subject to disclosure of that fact in the information memorandum and subject to obtaining the necessary exemptions on exchange controls, if required.		
<b>Denomination of Offer and application of funds outside the jurisdiction where funds are raised.</b>	An issuer shall determine the currency or currencies for the issue subject to the prevailing policy.		
<b>Credit Enhancement</b>	An issuer may secure credit enhancement		
	Where the audited accounts are more than six months old, they shall be supported by management accounts.		
	Management accounts shall be prepared to a date within one month of the date of the offer.		
<b>Cash flow projections.</b>	An issuer shall provide <i>proforma</i> financial statements which cover a period of not less than three years from the date of issue or where the fixed income security has a shorter maturity period, the life of that fixed income security.		
<b>Disclaimer statement</b>	All prospectuses for regional offers of fixed income securities shall contain the following statement on the front page- <i>"As a matter of policy, the approving regulators assume no responsibility for the correctness of any statements or opinions made or reports contained in this prospectus. Approval of the issue or listing is not an indication of the merits of the issuer or of the securities."</i>		
<b>Listing</b>	Listing shall be mandatory for all regional offers of securities which are to be offered to the public or a section of the public:		

	<p>Provided that this requirement shall not apply to offers targeted at institutional, sophisticated, or professional investors.</p> <p>An issuer who is not eligible for listing may be approved to issue its securities to sophisticated, institutional or professional investors and the securities may be approved for trade on regulated Over the Counter (OTC) markets.</p>		
<b>Financial Statement Disclosure</b>	<p>Where an issuer has a track record, the following financial statements complying with IFRS for the three years preceding the offer shall be required-</p> <ol style="list-style-type: none"> <li>1. audited accounts not more than six months old at the time of the offer;</li> <li>2. where the audited accounts are more than six months old they shall be supported by management accounts; and</li> <li>3. management accounts shall be prepared to a date within one month of the date of the offer.</li> </ol>		
<b>Trading, clearing and settlement.</b>	<p>An issuer of regional fixed income securities shall comply with the requirements relating to trading, clearing and settlement on any exchange on which its securities are traded or in line with the rules for the relevant OTC market as well as those of any central depository through which its securities are cleared and settled.</p>		
<b>Credit Ratings</b>	<p>An issuer of regional fixed income securities shall maintain a valid credit rating for so long as the issue remains outstanding.</p>		
	<p>Provided that where an issuer has no track record or where the debt is to be funded from revenue from a specific project or designated cash flows, then the credit rating shall be in respect of the project or performance projections.</p>		
	<p>All Information Memoranda for regional offers of fixed income securities shall include a cautionary statement with words to the effect that-</p> <p><i>"A credit rating is not a recommendation to apply for the securities on offer or an assurance of performance of the offer or the issue and investors should exercise due diligence and use the rating only as one of the considerations in making their investment decision."</i></p>		

	An issuer of regional fixed income securities shall in respect of any issue of securities comply with the following requirements relating to professional parties.		
Transaction Arranger, Sponsoring Stockbroker or Placing Agent:	Appoint a transaction arranger, placing agent or a sponsoring stockbroker who shall be a corporate body licensed to carry out such function by at least one East African Community Partner State regulator and has affiliates in all regional jurisdictions where the security will be issued.		
Accountant's report	Appoint a reporting accountant for the issue who shall be in compliance with all the requirements of their professional bodies. The reporting accountant shall be a firm registered in any East Africa Community country with affiliates in all East African C countries.		
Legal Opinion	Appoint a legal adviser who shall be in compliance with all the requirements of their professional bodies. The legal advisers shall be a firm registered in any East African Community country with affiliates in all East African countries.		
Paying and Receiving Bank	Appoint paying and receiving banks which shall be banks licensed in the East African countries where funds are being raised. The issuer shall determine the number of receiving banks.		
	Continuous disclosure obligations An issuer of a regional fixed income security shall be required to comply with the continuous disclosure obligations applicable to offers of fixed income securities in all jurisdictions in which it has raised capital from the public.		
	Where the regional fixed income security is listed on one or more securities exchanges or is traded on any regulated market within the East African Community region, it shall comply with the continuous obligations imposed by that securities exchange or market.		
	The issuer is obliged to avail to investors in all jurisdictions in which the issuer has raised capital, all relevant information for proper appraisal of the financial position of the issuer in an effective and timely manner.		
<b>Information memorandum</b>	The issuer shall submit, for approval, a draft information memorandum accompanied by an evaluation fee to all East African Partner State regulators		

approval procedure for issuance of regional fixed income securities	in which it intends to raise capital indicating the jurisdiction that the issuer desires to be the primary approving jurisdiction or primary regulator.		
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### 3. MAIN FIXED INCOME SECURITIES MARKET SEGMENT DISCLOSURE REQUIREMENTS FOR PUBLIC ISSUES (10<sup>TH</sup> SCHEDULE)

	DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT	Met: Y/N/ N/A	Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made
1.0	Identity of directors, senior management, and advisers (i.e. persons responsible for the information disclosed)		
1.1	The name, home or business address and function of each of the persons giving the declaration set out in paragraph		
1.2	<p>A declaration in the following form:  The directors of [the issuer], whose names appear on page [ ] of the prospectus, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with facts and does not omit anything likely to affect the import of such information.</p> <p>Where applicable, a declaration by those responsible for certain parts of the information memorandum that, to the best of their knowledge, the information contained in those parts of the information memorandum for which they are responsible is in accordance with the facts and that those parts of the information memorandum make no omission likely to affect their import.</p>		
1.3	The names, addresses, qualifications of the auditors who have audited the issuer's annual accounts in accordance with International Standards of Auditing for the last two financial years.		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
1.4	If auditors have resigned, have been removed or have not been re-appointed during the last two financial years and have deposited a statement with the issuer of circumstances which they believe should be brought to the attention of members and creditors of the issuer, details of such matters must be disclosed.		
1.5	The names, addresses and material interest, including any negative statement, if any, in the issuer, of the issuer's bankers, legal advisers, sponsors, reporting accountants and any other expert to whom a statement or report included in the prospectus has been attributed. Where a statement or report attributed to a person as an expert is included in the information memorandum, a statement that it is included, in the form and context in which it is included, with the written consent of that person, who has authorised the contents of that part of the information memorandum and has not withdrawn his consent.		
1.6	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source of the information.		
1.0	Offer Statistics and Expected Timetable		
1.1	A statement that: <ul style="list-style-type: none"> <li>a) the Authority has approved the public offering and listing of the securities at the Fixed Income Securities Market Segment of a securities exchange;</li> <li>b) the Authority only approves the information memorandum as meeting the standards of completeness, comprehensibility and</li> <li>c) consistency imposed by these Regulations; and such approval should not be considered as an endorsement of the issuer that is the subject of the Information memorandum.</li> </ul>		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
2.0	<b>Information on the Issuer</b>		
2.1	The name (both legal and trading name, if any), registered office and, if different, head office of the issuer, and the website and any other digital platforms of the issuer (with a disclaimer that the information on the website and any other digital platforms does not form part of the prospectus unless that information is incorporated by reference into the prospectus).		
2.2	The country of incorporation of the issuer.		
2.3	The date of incorporation and the length of life of the issuer, except where indefinite.		
2.4	The legislation under which the issuer operates and the legal form which it has adopted under that legislation.		
2.5	A description of the issuer's principal objects and activities, stating the main category of products sold or services performed, and the degree of any government protection and of any investment encouragement law affecting the business.		
2.6	The place and date of registration of the issuer and its registration number.		
2.7	Details of any recent events particular to the issuer and which are to a material extent relevant to an evaluation of the issuer's solvency.		
2.8	Credit ratings assigned to an issuer at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.		
3.0	<b>Documents Available for Inspection</b>		
3.1	A statement that for a period of not less than five working days from the date of the information memorandum or for the duration of any offer to which the information memorandum relates,		



	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	if longer, at the issuers premises, where the following documents or copies thereof (where applicable) could be inspected:		
	3.3.1 the articles of association (or the constitutive documents) of the issuer;		
	3.3.2 any trust deed of the issuer or of its subsidiary undertakings which is referred to in the information memorandum including any other transaction agreement including, but without limitation, the agency agreements, issue agreements, escrow agreements and security agreements;		
	3.1.3 the latest certified appraisals or valuations relative to movable and immovable property and items of a similar nature, if applicable;		
	3.1.4 all reports, letters, and other documents, valuations and statements by any expert any part of which is included or referred to in the prospectus;		
	3.1.5 the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the prospectus, including, in the case of a company incorporated in Kenya, all notes, reports or information required by the Companies Act, 2015;		
	3.1.6 All other documents that would be relevant and material for consideration by an investor.		
3.2	Where any of the documents listed in paragraph 3 .1 are not in the English language, translations into English must also be available for inspection.		
4.0	<b>Share Capital</b>		
4.1	The amount of the issuer's issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics. If any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down, where applicable,		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	according to the extent to which they have been paid up. If more than ten per cent of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.		
4.2	The names of the persons, who, directly or indirectly, jointly or severally, exercise or could exercise control over the issuer, and particulars of the proportion of the voting capital held by such persons. For these purposes, joint control means control exercised by two or more persons who have concluded an agreement, which may lead to their adopting a common policy in respect of the issuer.		
4.3	If the issuer has subsidiary undertakings or parent undertakings, a brief description of the group of undertakings and of the issuers position within it stating, where the issuer is a subsidiary undertaking, the name of and number of shares in the issuer held (directly or indirectly) by each parent undertaking of the issuer.		
5.0	<b>Material Contracts</b>		
5.1	A summary of the principal contents of:		
	5.1.1. each material contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the publication of the prospectus, including particulars of dates, parties, terms and conditions, any consideration passing to or from the issuer or any other member of the group, unless such contracts are available for inspection in which case it will be sufficient to refer to them collectively as being available		
	5.1.2. any contractual arrangement with a controlling shareholder required to ensure that the issuer is capable at all times of carrying on its business independently of any controlling shareholder, including particulars of dates, terms and conditions and any consideration passing to or from the issuer or any other member of the group.		

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6.0	<b>Business Overview</b>		
6.1	A description of the group's principal activities, stating the main categories of products sold or services performed. Where the issuer or its subsidiaries carries on or proposes to carry on two or more businesses which are material having regard to the profits or losses, assets employed or to be employed, or any other factor, information as to the relative importance of each such business.		
6.2	Details of any material changes in the businesses of the issuer during the past five years.		
6.3	Where the information given pursuant to paragraphs 7.1 to 7.2 has been influenced by exceptional factors, that fact must be mentioned.		
6.4	Information on any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) which may have or have had in the recent past (covering at least the previous four months) a significant effect on the group's financial position or an appropriate negative statement		
6.5	Information on any interruptions in the group's business, which may have or have had during the recent past (covering at least the previous four months) a significant effect on the group's financial position.		
6.6	Information concerning the principal investments (including new plant, factories and research and development) being made during the current financial year, with the exception of interests being acquired in other undertakings, including: 6.6.1. the geographical distribution of these investments; and 6.6.2. the method of financing such investments.		
6.7	Information concerning the group's principal future investments (including new plant, factories, and research and development, if any), with the exception of interests to be acquired in other undertakings, on which the issuer's directors have already made firm commitments.		

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6.8	Information concerning policy on the research and development of new products and processes over the past three financial years, where significant.		
6.9	The basis for any statements made by the issuer regarding its competitive position shall be disclosed.		
7.0	<b>Operating and Financial Review and Prospectus (Recent Development and Prospects of the Group) and Profit Forecasts and Estimates</b>		
7.1	Unless otherwise approved by the Authority in exceptional circumstances and to the extent necessary for an understanding of the issuer's business as a whole:  7.1.1. general information on the trend of the group's business since the end of the financial year to which the last published annual accounts relate, and in particular: 7.1.1.1. the most significant recent trends in production, sales and stock and the state of the order book; and 7.1.1.2. recent trends in costs and selling prices. 7.1.2. Information on the group's prospects for at least the current financial year. Such information must relate to the financial and trading prospects of the group together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the prospectus, and which are unlikely to be known or anticipated by the		
7.2	Provide information on the risk factors that are specific to the issuer or its industry and make an offering speculative or on high risk in a section headed "Risk Factors.		
7.3	Where a profit forecast or estimate appears, the principal assumptions upon which the issuer has based its forecast or estimate must be stated. Where so required, the forecast or estimate must be examined and reported on by the reporting accountants or auditors and their report		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	must be set out; there must also be set out a report from the sponsor confirming that the forecast has been made after due and careful enquiry by the directors.		
7.4	The opinion of the directors, stating the grounds therefor, as to the prospects of the business of the issuer and of its subsidiaries and of any subsidiary or business undertaking to be acquired, together with any material information which may be relevant thereto.		
8.0	<b>Directors and Employees</b>		
8.1	In the case of a foreign issuer, information similar to that described in 9.1, relative to the local management, if any. Where the Authority considers the parent company is not adequately represented on the directorate of its subsidiaries, an explanation is required.		
8.2	A statement showing the aggregate of the direct and indirect interests of the directors in, and the direct and indirect interests of each director holding in excess of three per cent of the share capital of the issuer, distinguishing between beneficial and non-beneficial interests, or an appropriate negative statement. The statement should include by way of a note any change in those interests occurring between the end of the financial year and the date of publication of the prospectus, or if there has been no such change, disclosure of that fact.		
8.3	<p><b>Organizational Structure</b></p> <p>If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organizational structure if this helps to clarify the structure.</p> <p>A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.</p>		
9.0	<b>Major Shareholders and Related Party Transactions</b>		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
9.1	<p>The following information shall be provided regarding the issuer's major shareholders, which means shareholders that are the beneficial owners of at least three per cent or more of the issuer's voting securities:</p> <p>9.1.1. provide the names of the major shareholders, and the number of shares and the percentage of outstanding shares of each class owned by each of them as of the most recent practicable date, or an appropriate negative statement if there are no major shareholders;</p> <p>9.1.2. disclose any significant change in the percentage ownership held by any</p> <p>9.1.3. indicate whether the issuer's major shareholders have different voting rights, or an appropriate negative statement.</p>		
9.2	To the extent known to the issuer, state whether the issuer is directly or indirectly owned, controlled, or significantly influenced by another corporation, by any foreign government or by any other natural or legal person severally or jointly, and, if so, give the name of such controlling corporation, government or other person, and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote or a right to appoint or remove directors.		
9.3	Describe any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.		
9.4	Full information of any material inter-company finance.		
9.5	If any of the named experts was employed on a contingent basis, owns an amount of shares in the issuer or its subsidiaries which is material to that person, or has a material, direct or indirect economic interest in the issuer or that depends on the success of the offering, provide a brief description of the nature and terms of such contingency or interest.		
10.0	<b>Financial Information</b>		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
10.1	A statement that the annual accounts of the issuer for the last three financial years have been audited. If audit reports on any of those accounts have been refused by the auditors or contain qualifications, such refusal or such qualifications must be reproduced in full and the reasons given.		
10.2	A statement of what other information in the prospectus has been audited by the auditors.		
10.3	Financial information as required by paragraphs 11.9. to 11.11. set out in the form of a comparative table together with any subsequent interim financial statements if available.		
10.4	Financial information as required by paragraphs 11.9. to 11.11 set out in the form of an accountants' report.		
10.5	If applicable, an accountants' report, as set out in paragraphs 11.9 to 11.11 on the asset which is the subject of the transaction.		
10.6	10.6.1. If the issuer prepares consolidated annual accounts only, it must include those accounts		
	10.6.2. If the issuer prepares both own and consolidated annual accounts, it must include both sets of accounts in the prospectus in accordance with paragraph 11.3 or 11.4. However, the issuer may exclude its own accounts on condition that they do not provide any significant additional information to that contained in the consolidated accounts, with the approval of the Authority.		
10.7	10.7.1. Where the issuer includes its own annual accounts in the prospectus, it must state the profit or loss per share arising out of the issuer's ordinary activities, after tax for each of the last five financial years.		
	10.7.2. Where the issuer includes consolidated annual accounts in the prospectus, it must state the consolidated profit or loss per share for each of the last five financial years; this information must appear in addition to that provided in accordance with above where the issuer also includes its own annual accounts in the prospectus		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
10.8	A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial statements have been published, or an appropriate negative statement.		
10.9	If the issuer's own annual or consolidated annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits and losses of the group, more detailed or additional information must be given.  In the case of issuers incorporated in a country where issuers are not obliged to draw up their accounts so as to give a true and fair view, but are required to draw them up to an equivalent standard, the latter may be sufficient		
10.10	A table showing the changes in financial position of the group over each of the last three financial years.		
10.11	The accountant's report shall disclose a proforma balance sheet, profit and loss account and a cash flow projection for the next twelve months following the issue and the following ratios for the last three financial years immediately preceding the issue:		
	10.11.1. earnings before interest and taxes interest cover;		
	10.11.2. funds from operations to total debt percentage;		
	10.11.3. free cash flow to total debt percentage;		
	10.11.4. total free cash flow to short-term debt obligations;		
	10.11.5. net profit margin;		
	10.11.6. post-tax return (before financing on capital employed);		
	10.11.7. long term debt to capital employed; and		
	10.11.8. total debt to equity.		
10.12	Where the prospectus includes consolidated annual accounts, disclosures are		



	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	required: 10.12.1. of the consolidation principles applied (which must be described explicitly		
	10.12.2. of the names and registered offices of the undertakings included in the consolidation, where that information is important for the purpose of assessing the assets and liabilities, financial position and profits and losses of the issuer; it is sufficient to distinguish them by a symbol in the list of undertakings of which details are required in paragraph 11.15; and		
	10.12.3. for each of the undertakings referred to in 11.12.2 10.12.3.1. the total proportion of third-party interests, if annual accounts are wholly consolidated; or		
	10.12.3.2. the proportion of the consolidation calculated on the basis of interests, if consolidation has been effected on a pro rata basis.		
10.13	10.13.1. Details on a consolidated basis as at the most recent practicable date (which must be stated and which in the absence of exceptional circumstances must not be more than fourteen days prior to the date of publication of the prospectus) of the following, if material:		
	10.13.1.1. the borrowing powers of the issuer and its subsidiaries exercisable by the directors and the manner in which such borrowing powers may be varied;		
	10.13.1.2. the circumstances, if applicable, if the borrowing powers have been exceeded during the past two years. Any exchange control or other restrictions on the borrowing powers of the issuer or any of its subsidiaries;		
	10.13.1.3. the total amount of any loan capital outstanding in all members of the group, and loan capital created but un-issued, and term loans, distinguishing between loans guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties), and unsecured;		
	10.13.1.4. all off-balance sheet financing by the issuer and any of its subsidiaries;		
	10.13.1.5. the total amount of all other borrowings and indebtedness in the nature of borrowing of the group, distinguishing between guaranteed, unguaranteed, secured and unsecured		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	borrowings and debts, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments and obligations under finance leases;		
	10.13.1.6. the total amount of any material commitments, lease payments and contingent liabilities or guarantees of the group; or		
	10.13.1.7. how the borrowings required to be disclosed by paragraphs 11.13.3 to 11.13.7 arose, stating whether they arose from the purchase of assets by the issuer or any of its subsidiaries.		
	10.13.2. An appropriate negative statement must be given in each case where relevant, in the absence of any loan capital, borrowings, indebtedness and contingent liabilities described in 11.13.1; as a general rule, no account should be taken of liabilities or guarantees between undertakings within the same group, a statement to that effect being made if necessary.		
	10.13.3. For each item identified in (1) above, where applicable:		
	10.13.3.1. the names of the lenders, if not debenture holders;		
	10.13.3.2. the amount, terms and conditions of repayment or renewal;		
	10.13.3.3. the rates of interest payable on each item;		
	10.13.3.4. details of the security, if any;		
	10.13.3.5. details of conversion rights;		
	10.13.3.6. where the issuer or any of its subsidiaries has debts which are repayable within twelve months, state how the payments are to be financed;		
	10.13.3.7. if the issuer prepares consolidated annual accounts, the principles laid down in paragraph 11.6 apply to the information set out in this paragraph 11.13.		
10.14	Details of material loans by the issuer or by any of its subsidiaries stating:		
	10.14.1. the date of the loan;		
	10.14.2. to whom made;		
	10.14.3. the rate of interest;		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	<p>10.14.4. if the interest is in arrears, the last date on which it was paid and the extent of the arrears;</p> <p>10.14.5. the period of the loan;</p> <p>10.14.6. the security held;</p> <p>10.14.7. the value of such security and the method of valuation;</p> <p>10.14.8. if the loan is unsecured, the reasons therefor; and</p> <p>10.14.9. if the loan was made to another company, the names and addresses of the directors of such company.</p>		
10.15	<p>10.15.1. Information in respect to matters listed below relating to each undertaking in which the issuer holds (directly or indirectly) on a long-term basis an interest in the capital that is likely to have a significant effect on the assessment of the issuer's own assets and liabilities, financial position or profits or losses:</p> <p>10.15.1.1. the name and address of the registered office;</p> <p>10.15.1.2. field of activity;</p> <p>10.15.1.3. the proportion of capital held;</p> <p>10.15.1.4. the issued capital;</p> <p>10.15.1.5. the reserves;</p> <p>10.15.1.6. the profit or loss arising out of ordinary activities, after tax, for the last financial year;</p> <p>10.15.1.7. the value at which the issuer shows in its accounts the interest held;</p> <p>10.15.1.8. any amount still to be paid up on shares held;</p> <p>10.15.1.9. the amount of dividends received in the course of the last financial year in respect of shares held; and</p> <p>10.15.1.10. the amount of the debts owed to and by the issuer with regard to the undertaking.</p>		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	10.15.2. The items of information listed in 11.15.1 must be given in any event for every undertaking in which the issuer has a direct or indirect participating interest, if the book value of that participating interest represents at least twenty per cent of the capital and reserves of the issuer or if that interest accounts for at least twenty per cent of the net profit or loss of the issuer or, in the case of a group, if the book value of <i>Kenya Subsidiary Legislation, 2023 1203</i> that participating interest represents at least twenty per cent of the consolidated net assets or at least twenty per cent of the consolidated net profit or loss of the group.		
	10.15.3. The information required by 11.15.1. 5 and 11.15.1.6 may be omitted where the undertaking in which a participating interest is held does not publish annual accounts.		
	10.15.4. The information required by 11.15.1.4 to 11.15.1.10 may be omitted if the annual accounts of the undertakings in which the participating interests are held are consolidated into the group annual accounts, or, with the exception of 11.15.1.9 and 11.15.1.10, if the value attributable to the interest under the equity method is disclosed in the annual accounts, provided that in the opinion of the Authority, the omission of the information is not likely to mislead the public with regard to the facts and circumstances, knowledge of which is essential for the assessment of securities in question.		
10.16	A statement by the directors of the issuer that in their opinion the working capital available to the group is sufficient for the group's present requirements, or, if not, how it is proposed to provide the additional working capital thought by the directors of the issuer to be necessary. The working capital statement should be prepared on the group, as enlarged by the acquisition of assets.		
10.17	Where the financial statements provided under paragraphs 11.1 to 11.5 are prepared in a currency other than Kenya shillings, disclosure of the exchange rate between the financial reporting currency and Kenya shillings should be provided, using the mean exchange rate designated by the Central Bank of Kenya for this purpose, if any:		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	10.17.1. at the latest practicable date;		
	10.17.2. the high and low exchange rates for each month during the preceding twelve months;		
	10.17.3. for the five most recent financial years and any subsequent interim period for which financial statements are presented, the average rates for each period, calculated by using the average of the exchange rates on the last day of each month during the period; and		
	10.17.4. if the proceeds are being used directly or indirectly to acquire assets, other than in the ordinary course of business, briefly describe the assets and their cost. If the assets will be acquired from affiliates of the issuer or associates, disclose the person from whom they will be acquired and how the cost to the issuer will be determined.		
10.18	A declaration from the receiving bank appointed to act as custodian confirming independence from the issuer, and that the funds related to the issue are held in a trust account.		
11.0	<b>The debt securities for which application is being made</b>		
11.1	A statement that application has been made to the Authority for the securities to be listed (if applicable) in the Fixed Income Securities Market Segment, setting out the relevant debt securities.		
11.2	A statement whether or not all the debt securities have been marketed or are available in whole or in part to the public in conjunction with the application.		
11.3	The nominal amount of the debt securities and if this amount is not fixed, a statement to that effect must be made.		
11.4	The nature, number and numbering of the debt securities and the denominations.		
11.5	Except in the case of continuous issues of short-term debt securities, the issue and redemption prices and nominal interest rate. If several interest rates or variable interest rates are provided for, an indication of the conditions for changes in the rate.		
11.6	The procedures for the allocation of any other advantages and the method of calculating such advantages.		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
11.7	A statement regarding tax on the income from the debt securities withheld at source: 11.7.1. in the country of origin (if applicable); and 11.7.2. Kenya		
11.8	A statement whether the issuer assumes responsibility for the withholding of tax at source.		
11.9	Arrangements for the amortization of the loan, including the repayment procedures		
11.10	The names and addresses of the issuer's registrar and paying agent for the securities in any other country where the securities listing (if applicable) has taken place.		
11.11	The currency of the loan and any currency option, if the loan is denominated in units of account, the contractual status of such units.		
11.12	The final repayment date and any earlier repayment dates.		
11.13	The date from which interest becomes payable and the due dates for interest.		
11.14	The time limit on the validity of claims to interest and repayment of principal.		
11.15	The procedures and time limits for delivery of the debt securities, and a statement as to whether temporary documents of title will be issued.		
11.16	Except in the case of continuous issues in respect of short-term securities, a statement of yield. The method whereby that yield is calculated must be described in summary form.		
11.17	A statement of the resolutions, authorizations and approvals by virtue of which the debt securities have been or will be created or issued.		
11.18	The nature and amount of the issue.		
11.19	The number of debt securities which have been or will be created or issued.		
11.20	The nature and scope of the guarantees, sureties and commitments intended to ensure that the loan will be duly serviced as regards both the repayment of the debt securities and the payment of interest		
11.21	Details of trustees or of any other representation for the body of debt security holders.		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
11.22	A statutory declaration from the trustee confirming its independence from the issuer and any other party in the transaction, and that they understand their responsibilities as contained in the Trust Deed appointing them.		
	11.22.1. The name, function, description and head office of the trustee or other representative of the debt security holders; and		
	11.22.2. The main terms of the document governing such trusteeship or representation and in particular the conditions under which such trustee or representative may be replaced.		
11.23	A summary of clauses subordinating the loan to other debts of the issuer already contracted or to be contracted.		
11.24	A statement of the legislation under which the debt securities have been created and the courts competent in the event of litigation.		
11.25	A statement whether the debt securities are in registered or certificate form or where dematerialised a statement of account to be issued.		
11.26	Details of any arrangements for transfer of the securities and any restrictions on the free transferability of the debt securities.		
11.27	Other securities exchanges (if any) where listing is being or will be sought.		
11.28	11.28.1. The names, addresses and descriptions of the persons underwriting or guaranteeing the issue, and: where the underwriter is a company, the description must include:		
	11.28.1.1. the place and date of incorporation and registered number of the issuer;		
	11.28.1.2. the names of the directors of the company;		
	11.28.1.3. the name of the secretary of the company;		
	11.28.1.4. the bankers to the company where applicable; and		
	11.28.1.5. the authorised and issued share capital of the company.		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	11.28.2. Where the issue is fully or partially guaranteed, the guarantor shall assume the responsibility and redemption obligation under the issue and in that regard, shall satisfy the Authority of its financial capacity to guarantee the issue.		
	11.28.3. Where the guarantor is a bank or an insurance company licensed to operate in Kenya, the consent of the Central Bank of Kenya or the Commissioner of Insurance, as the case may be, will be required.		
	11.28.4. Where not all of the issue is underwritten or guaranteed, a statement of the portion not covered shall be made.		
11.29	If a public or private offer or placing has been or is being made simultaneously on the markets of two or more countries and if a tranche has been or is being reserved for certain of these, details of any such tranche.		
11.30	The names of the securities exchanges (if any) on which debt securities of the same class are already listed.		
11.31	If debt securities of the same class have not yet been listed but are dealt in on one or more other regulated, regularly operating, recognised, open markets, an indication of such markets.		
11.32	<p>If an issue is being effected at the same time as listing or has been effected within the three months preceding such listing the following information must be given:</p> <p>11.32.1. the procedure for the exercise of any right of pre-emption; the negotiability of subscription rights, the treatment of subscription rights not exercised and:</p> <p>11.32.1.1. the issue price or offer or placing price, stating the nominal value or, in its absence, the accounting par value or the amount to be capitalised;</p> <p>11.32.1.2. the issue premium or discount and the amount of any expenses specifically charged to the subscriber or purchaser; and</p>		



	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	11.32.1.3. the methods of payment of the price, particularly as regards the paying-up of securities which are not fully paid.		
	11.32.2. except in the case of continuous debt security issues, the period during which the issue or offer remained open or will remain open and any possibility of early closure.		
	11.32.3. the methods of and time limits for delivery of the securities and a statement as to whether temporary documents of title have been or will be issued.		
	11.32.4. the names of the receiving agents.		
	11.32.5. a statement, where necessary, that the subscriptions may be reduced and a statement of the relative facts where it is the intention, in the event of over subscription, to extend a preference on allotment to any particular company or group such as employees and pension funds.		
	11.32.6. except in the case of continuous debt security issues, the estimated net proceeds of the loan. If the capital offered is more than the amount of the minimum subscription referred to in paragraph 12.33, the reason for the difference between the capital offered and the said minimum subscription.		
	11.32.7. the purpose of the issue and intended application of its proceeds.		
11.33	The minimum amount which, in the opinion of the directors, must be raised by the issue of the securities in order to provide the sums, or, if any part thereof is to be order to provide the sums, or, if any part thereof is to be defrayed in any other manner, the balance of the sums required to be provided, in respect of each of the following matters: 11.33.1. the purchase price of any property, purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue;		
	11.33.2. any preliminary expenses payable by the issuer, and any commission payable to any person in consideration for his agreeing to subscribe for, or of his procuring or agreeing to procure subscriptions for or of his underwriting or guaranteeing any securities of the issuer;		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
	11.33.3. the repayment of any moneys borrowed in respect of any of the forgoing matters;		
	11.33.4. working capital, stating the specific purposes for which it is to be used and the estimated amount required for each such purpose;		
	11.33.5. any other material expenditure, stating the nature and purposes thereof and the estimated amount in each case; and		
	11.33.6. the amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the issue, and the sources from which those amounts are to be provided.		
11.34	A summary of the rights conferred upon the holders of the debt securities and particulars of the security (if any).		
11.35	Where debt securities are issued by way of conversion or replacement of debt securities previously issued, a statement of all material differences between the security for the old debt securities and the security for the new debt securities, or, if appropriate, a statement that the security for the new debt securities is identical with all security for the old debt securities.		
11.36	Particulars of the profits cover for interest (if fixed), and of the net tangible assets.		
11.37	Where the debt securities for which application is being made are offered by way of rights or open offer to the holders of an existing listed security, the following information must be given:		
	11.37.1. the pro rata entitlement;		
	11.37.2. the last date on which transfers were or will be accepted for registration for participation in the issue;		
	11.37.3. how the securities rank for interest;		
	11.37.4. the nature of the document of title and its proposed date of issue;		
	11.37.5. in the case of a rights issue or open offer, how debt securities not taken up will be dealt with and the time in which the offer may be accepted;		
	11.37.6. a statement pointing out possible tax implications for non-residents.		

	<b>DISCLOSURE REQUIREMENTS FOR THE MAIN FIXED INCOME MARKET SEGMENT</b>	<b>Met: Y/N/ N/A</b>	<b>Indicate the paragraph and page number of the Information Memorandum where the requisite disclosure has been made</b>
11.38	In respect of convertible debt securities, information concerning the nature of the shares offered by way of conversion, exchange or for subscription and the rights attaching thereto.		
11.39	In respect of convertible debt securities, the conditions of and procedures for conversion, exchange or subscription and details of the circumstances in which they may be amended		
11.40	Where the debt securities for which application is being made are debt securities of a class which is already listed, being offered by way of rights or open offer, a table of market values for the securities of the class to which the rights issue or offer relates for the first dealing day in each of the six months before the date of the particulars, for the last dealing day before the announcement of the rights issue or offer and (if different) the latest practicable date prior to publication of the particulars.		
11.41	Where an issuer seeks to raise additional capital amounting to twenty percent or more of the aggregate value of its listed fixed income securities such issuer shall obtain prior approval of the holders of such listed fixed income securities and the Authority		
11.42	Provide signed copies of all agreements between the issuer and transaction advisory team before the offer opening date.		

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<sup>i</sup> 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.