

REGISTERED VENTURE CAPITAL COMPANY

Regulation 4 (1) of the Capital Markets (Registered Venture Capital Companies) Regulations, 2007

Requirement

1. Duly completed and executed application form (set out in the First Schedule of the Capital Markets (Registered Venture Capital Companies) Regulations, 2007)
2. Certified copy of the Certificate of Incorporation or Certificate of Compliance
3. Certified copy of the Memorandum and Articles of Association (with objects that allow the company to carry out business for which the approval is sought)
4. Certified copy of the board resolution approving the application for registration
5. Details of the investment policy in respect of each fund to be operated by the Company setting out the following particulars:-
 - a. investment objectives
 - b. Minimum and maximum investment amounts in any single enterprise
 - c. Investment rules, investment process (including minimum commitment and investment periods and procedures for draw down) and exposure limits to individual eligible venture capital enterprises
 - d. Preferred mode of divestiture from eligible venture capital enterprises
 - e. Disclose a clear strategy for the diversification of investments in eligible venture capital enterprises
 - f. Policies on fees and charges
 - g. Profile of companies invested in (where applicable)
 - h. Details of risks factors that are specific to the chosen investment sectors, or sectors intended to be invested in
6. Letter of acceptance of the appointment from the Fund Manager (in Form set out in Fourth Schedule of the Capital Markets (Registered Venture Capital Companies) Regulations 2007)
7. Management agreement between the Registered Venture Capital Company and the Fund Manager containing particulars required in Regulation 10
8. Accounts (3 years audited (where relevant) + 6 months unaudited)
 - a. Paid up share capital of KES 100,000,000
 - b. Minimum fund of KES 100,000,000

9. A company profile demonstrating company's previous involvement in venture capital business for at least three years or in the alternative, evidence of one or more of its directors having a demonstrable track record in the management of venture capital funds for a period of at least three years
10. Name of the engaged Fund Manager duly licensed by the Authority
11. Directorship structure in which at least one third of the directors are independent directors
12. Details of the Company Auditor
13. Company Secretary (name of the individual and their ICPSK registration Number)
14. Director's Declaration (in prescribed form set out in the Third Schedule of the Regulations)
15. Declarations by each of the directors in respect of questions 18 to 24 of the Application Form
16. One (1) letter of Bank Reference from a commercial bank stating the length of the relationship with the applicant and containing a statement on the manner in which the applicant has managed its account(s) where applicable
17. Two(2) letters of Business Reference from at least Two companies in which the applicant has invested explaining the nature and the duration of the investment(s) and contribution applicant has made to the business of the company providing the reference (where applicable)
18. Comprehensive CVs for both directors and key personnel (as defined under Regulation 53 (2) of the Capital Markets (Licensing Requirements) (General Regulations, 2002)
19. Fit & Proper Forms for directors and key personnel
20. Certificates of Good Conduct for directors and key personnel

**THE CAPITAL MARKETS ACT
(Cap. 485A)**

Form 1 (r.4)

**THE CAPITAL MARKETS (REGISTERED VENTURE CAPITAL
COMPANIES) REGULATIONS, 2007**

**APPLICATION FOR REGISTRATION AS A VENTURE CAPITAL
COMPANY**

Please attach annexure(s) where necessary. Any annexure(s) should be clearly identified.

1. Name of Applicant
2. Date of incorporation
3. Company Number
4. Physical and Postal Address of principal office.....
.....
5. Registered Office
6. Telephone:
7. Fax No:.....
8. Email Address:
9. Details of capital structure:
 - (a) Nominal capital (Kshs.)
 - (b) Number of sharesof Kshs.....each.
 - (c) Paid-up capital (Kshs)
 - (d) Number and broad description of funds:
 - (e) Components (of each Fund):
 - i. Equity
 - ii. Shareholder Loans
 - iii. Debt
 - iv. Other (Explain)
10. Details of subsidiary and associate companies with the percentage of shareholding in each.
.....
.....
11. Details of holding and affiliated companies with percentage of shareholding of the holding company.

.....
.....
.....

12. The nature of venture capital financing it is to undertake:

- i. seed capital financing
- ii. start-up capital financing
- iii. mid-stage financing
- iv. subsidiary financing
- v. fund of funds
- vi. Other.

Tick as appropriate

If other, explain:

.....

13. Nature of Funds to be operated:

- captive
- semi-captive
- Independent fund
- other

Tick as appropriate

If other, explain:

.....

14. Provide the following details in respect of each shareholder. In the case of corporate shareholders, provide the relevant details in respect of the beneficial owners of the issued shares. In respect of each individual copies of the national identify cards or passport shall be annexed.

Name

Previous names (if any)

Year and place of birth

Nationality and how acquired

Identification Card number and date issued

Postal address & telephone number

Number of shares held in applicant

Shareholdings(directly or indirectly) in other Companies

.....

Directorships in other companies

.....

15. Provide the following details in respect of each Director and the Secretary. In respect of each individual copies of the national identify cards or passport shall be annexed.

Name

Previous names (if any)
 Year and place of birth
 Nationality and how acquired
 Identification Card/ Passport number and date issued
 Postal address & telephone number
 Number of shares held in Applicant
 Shareholdings (directly or indirectly) in other Companies

 Directorships in Companies

 Educational qualifications and year obtained
 Professional qualifications and year obtained:.....
 Memberships of professional bodies
 Employment/business record.....
 Specific experience related to the provision of venture
 capital.....
 In case of Secretary: Institute of Certified Public Secretaries of Kenya
 Registration No Practising Certificate No.
 17. Particulars of the auditor of the registered venture capital company
 Name:
 Physical & postal Address:
 Telephone:
 Email address:
 Fax:
 Institute of Certified Public Accountants of Kenya Registration
 Number:.....
 Practising Certificate No.

Provide individual responses to the following questions in respect of each of the shareholders, directors and secretary :

18. Have you at any time been placed under receivership, declared bankrupt, or compounded with or made an assignment for the benefit of creditors, in Kenya or elsewhere? If 'yes', give details

.....

19. Have you been a director, shareholder or manager of a company that has been:

(a) denied any licence, approval or registration to carry out business in the financial sector in any jurisdiction, or had

such licence withdrawn after it was made or any authorization revoked: Yes/No.
If Yes, give details.

.....
.....

(b) a director of a company providing banking, insurance, financial or investment advisory services whose licence has been revoked by the appropriate authority? If Yes, give details.

.....
.....

(c) subjected to any form of disciplinary action, censure, warned as to future conduct or publicly criticized by any regulatory authority or professional body in any country with regard to competence, soundness of judgment or otherwise. If yes, give details.

.....
.....

20. Have you been involved in a violation of any law designed for protecting members of the public against financial loss due to dishonesty or incompetence. If 'yes', give details.

.....
.....

21. Have you at any time been convicted of any criminal offence in any jurisdiction? If so, give particulars of the court in which you were convicted, the offence, the penalty imposed and the date of conviction.

.....
.....

22. Have you or any entity in which you are or have been associated as a director, shareholder or manager, been the subject of an investigation, in any country, by a government department or (including tax authorities), professional association or other regulatory body? If 'yes', give details.

.....
.....

23. Are you and/or a person associated with you now the subject of any proceeding that could result in a 'yes' answer to the above questions (19), (20), (21) and (22)? If 'yes,', give details.

.....
.....

24 (1) Are you a shareholder or director of a member company of any securities exchange? If 'yes', give details.

.....
.....

(2) Have you been -

(a) refused membership of any securities organization? If 'yes', give details

.....
.....

(b) expelled from or suspended from trading on or membership of any securities organization? If 'yes' give details

.....
.....

(c) subjected to any other form of disciplinary action by any stock exchange? If 'yes', give details.

.....
.....

We(Director), (Director) and(Secretary) declare that all the information given in this application form is complete and true.

Dated this day of 20

Signed:

.....) Director

.....) Director

.....) Secretary