VIRTUAL ASSET EXCHANGE CHECKLIST

Compliance with License Requirements[i]

Virtual Asset Service Providers Act, 2025, Capital Markets Act, Part II, Part IV, Part VI and Part IX of the Virtual Asset Service Providers Regulations, 2026, , and any other relevant Regulations and Guidelines.

Virtual Asset Exchange means a platform, system or facility that enables the exchange, conversion, buying and selling of virtual assets, including the matching, execution or settlement of orders between buyers and sellers of virtual assets.

No.	Requirement	Met (Y/N/NA)	Comment
1.	Contact person of the applicant - name, business telephone number and email address of a senior officer knowledgeable about the application.		
2.	Duly completed Application Form for a Virtual Asset Service Provider License (Second Schedule).		
3.	Certified copy of the Certificate of Incorporation or an equivalent		
4.	Certified copy of Memorandum and Articles of Association.		
5.	Up-to-date details of the directors and shareholders of the applicant (CR12 or an equivalent).		
6.	A copy of the register of beneficial owners of the applicant (Form BOF1- downloaded from BRS or an equivalent).		
7.	Copy of PIN and tax compliance certificate for the Applicant		
8.	Evidence of paid-up capital as per the audited financial statements of at least Kshs. 100,000,000 and liquid capital of at least Kshs. 20,000,000 or 8% of total liabilities, whichever is higher (Fifth Schedule) and certified bank statements For companies newly incorporated, provide opening financial statements certified by an independent auditor and certified bank statements.		

No.	Requirement	Met (Y/N/NA)	Comment
9.	Evidence of shareholders' funds of at least Kshs. 100,000,000 as per the audited financial statements or an opening statement for newly incorporated entities.		
10.	Audited financial statements for the three years preceding the application, or the opening financial statements verified by an external auditor in the case of a newly incorporated applicant.		
11.	In addition to 8, 9, and 10 where the applicant is a subsidiary of a foreign incorporated parent entity, the audited consolidated financial statements of the parent entity for the three years preceding the application.		
12.	Confirmation that the applicant's financial year shall end on 31st December of each year.		
13.	Source of Funds: A declaration by the individual significant shareholders and directors on the sources of funds. The declaration should be certified by a Commissioner for Oaths.		
14.	Tabulated full disclosure of the applicant's cross-border operations, affiliates, and regulatory status in other jurisdictions.		
15.	Board composition: i. a minimum of three directors, of which three shall be natural persons. ii. at least one-third of whom are independent, and not more than one-third of whom are related to any other director; iii. The chairperson of the Board shall be a non-executive or independent director. iv.		
16.	The chairperson shall not also be appointed chief executive officer.		
17.	Board Charter specifying roles of the Board, the Chairperson and the Chief Executive Officer.		
18.	A Board Audit and Risk Committee and any other relevant committees.		

No.	Requirement	Met (Y/N/NA)	Comment
19.	Human Resources[1]: Evidence[2]of the existence of sufficient human resources to operate a Virtual Asset Exchange business with a minimum of the following: a) Chief Executive Officer b) Head of Finance c) Risk Officer d) Compliance Officer e) Money Laundering and Reporting Officer[ii] f) Internal Auditor g) Company Secretary h) Chief Operating Officer i) Chief Technology Officer		
20.	For Fit and Proper of: **a) Significant Shareholders (Holding 10% or more), Directors, Senior Officers:** i. Duly filled and executed Fit and Proper Assessment Form (Fourth Schedule) ii. Updated CV iii. Police Clearance Certificate from country of residence (must have been issued within the last 12 months). iv. National ID or Passport Biodata page. v. Credit Reference Bureau Certificate or an equivalent. vi. Passport Photo **b) For Chief Executive Officer** (in addition to (a) above), evidence of: i. professional competence in virtual assets or other relevant fields, and ii. Being domiciled in Kenya. **c) For Persons in charge of Finance and Internal Audit Functions** (in addition to (a) above)		

[1] Risk Officer, Compliance Officer, and Money Laundering and Reporting Officer may be combined as one role where applicable.

[2] The assessment of key personnel shall be against the requirements provided under Paragraph 5 of Circular No.6 of 2026.

No.	Requirement	Met (Y/N/NA)	Comment
	Letter of good standing from ICPAK or an equivalent international professional body recognized by ICPAK.		
21.	Systems: i. A description of the systems and controls of the proposed virtual asset exchange business. ii. Successful system demo to the Capital Markets Authority for the trading system or platform to be deployed (*demonstrating real-time public access to trading information, transparent and efficient price discovery, a complete and tamper-proof audit trail, and adequate cybersecurity, resilience and access control measures.)* iii. An independent information systems audit report, including a vulnerability assessment and penetration test. iv. Evidence of the existence of systems and controls to maintain market integrity.		
22.	**Organizational Chart** (Organogram with names of personnel) - *should include proper reporting lines to the CEO who in turn reports to the Board. In the organogram, the Risk Management & Compliance Officer and the Internal Auditor should report administratively to the CEO (indicate using dotted line), and directly to the Board (indicate using a continuous line).*		
23.	Business Plan: A business plan prepared in accordance with the Third Schedule, covering: i. executive summary; ii. corporate governance structure; iii. a clear organisational structure with names of incumbents inserted (with a separate virtual asset business unit with its own management structure and books of account where applicable); iv. operational plan;		

No.	Requirement	Met (Y/N/NA)	Comment
	v. description of the exchange services to be provided; vi. The class(es) of virtual assets intended to be traded on or available for subscription on the exchange, and a list of virtual assets proposed to be listed; vii. technology and security infrastructure; viii. risk management framework; ix. compliance and internal controls; x. financial projections; xi. market analysis; xii. fees and charges structure; xiii. consumer asset safeguarding arrangements; and xiv. Implementation plan.		
24.	Copies of contracts in case of outsourcing arrangements.		
25.	Operational policies including: i. Risk management policy ii. AML/CFT/CPF policy iii. Data protection and privacy policy iv. Cybersecurity and information technology policy v. Complaints management policy vi. Market conduct policy vii. Consumer protection policy viii. Conflict of interest policy ix. Business continuity and disaster recovery plan		
26.	A Declaration indicating whether the applicant intends to provide any other services which are regulated under the Act and these Regulations.		
27.	Evidence of the applicant's registration with any other regulatory authority, if applicable.		
28.	Details of business physical premises and email address and website.		
29.	Evidence of adequate insurance coverage commensurate with the risks and scale of the proposed exchange business, by an insurance company licensed in Kenya or an insurer in a jurisdiction outside of Kenya which has been approved by the relevant regulatory		

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	authority, in consultation with the Insurance Regulatory Authority.		
30.	Letters from the principal bankers for the virtual asset exchange business bank(s) confirming accounts held.		
31.	Business rules with the following provisions: i. Methods of access to the platform: ii. Hours of operation, exchange availability and interruptions; iii. Admission, suspension or delisting of virtual assets from trading; iv. Conditions governing dealings in virtual assets and investor protection measures; v. Asset custody arrangements; vi. Prompt and real-time disclosure of material information to investors; vii. Order submission procedures, order minimums and order types; viii. Market data, and pre- and post-trade transparency; ix. Prevention of market abuse and other prohibited conduct; x. Investigation into trading and provision for inspections; xi. Suspension of trading for investor protection or orderly and fair trading; xii. Conduct of trading and the form in which transaction information is maintained and reported; xiii. Dispute resolution mechanisms; xiv. Trading fees chargeable; xv. Requirements on funding of accounts; xvi. Order matching and order matching priorities; xvii. Trade settlement and confirmation; xviii. Deposit and withdrawal procedures; and xix. Manner of undertaking due diligence in line with regulation 33(2)		

No.	Requirement	Met (Y/N/NA)	Comment
32.	Default rules enabling action to be taken in respect of unsettled virtual asset transactions where a consumer is unable, or appears unable, to fulfil its obligations.		
33.	A list of the applicant's proposed virtual asset custodians and other service and technical providers, and the services each provides.		
34.	Confirmation that no stablecoin will be listed on the exchange unless it has been approved by the Central Bank of Kenya and is issued by a duly licensed stablecoin issuer.		
35.	Declaration, signed by at least two directors, confirming the accuracy of the application and undertaking that the business will be conducted in accordance with the Act, the Regulations, and the Proceeds of Crime and Anti-Money Laundering Act.		
36.	Proof of payment of the application fee of Kshs. 100,000 (First Schedule) on eCitizen. Submission of a complete application via E- Citizen and delivery of physical application at the Authority's offices.		
37.	Please note that upon request, the Applicant shall be required to participate in an interview to obtain further information concerning its application or supporting information and records.		

[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