VIRTUAL ASSET BROKER CHECKLIST

Compliance with License Requirements

Virtual Asset Service Providers Act, 2025, Part II

of the Virtual Asset Service Providers Regulations, 2026 and other applicable regulations and guidelines.

Virtual Asset Broker means a person licensed to buy, sell or arrange for the purchase or sale of virtual assets on behalf of, or as an intermediary for, consumers, otherwise than on its own account as principal.

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.	Up-to-date details of the directors and shareholders of the applicant (CR12 or equivalent).		
5.	A copy of the register of beneficial owners of the applicant (Form BOF1- downloaded from BRS) or equivalent.		
6.	Copy of PIN and tax compliance certificate for the applicant.		
7.	Evidence of paid-up capital of at least Kshs. 10,000,000 and liquid capital of at least Kshs. 2,000,000 or 8% of total liabilities, whichever is higher (Fifth Schedule).		
8.	Evidence of shareholder funds of at least Kshs. 10,000,000 as per the audited financial statements or an opening statement for newly incorporated entities.		
9.	Audited financial statements for the three years preceding the application, or the opening financial statements verified by an auditor in the case of a newly incorporated applicant and a certified bank statement.		
10.	In addition to 7,8 &9, 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.		
11.	Confirmation that the applicant's financial year shall end on 31st December of each year.		

No.	Requirement	Met (Y/N/NA)	Comment
12.	Proof of source of funds for the virtual asset business; a declaration by the individual significant shareholders and directors on the sources of funds. The declaration should be certified by a Commissioner for Oaths.		
13.	Tabulated full disclosure of the applicant's cross-border operations, affiliates, and regulatory status in other jurisdictions		
14.	Board composition: i. a minimum of three directors of which three should 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.		
15.	The chairperson or a director shall not also be appointed chief executive officer.		
16.	Board Charter specifying roles of the Board, the Chairperson and the Chief Executive Officer.		
17.	Human Resources: Evidence of the existence of sufficient human resources to operate a virtual asset brokerage business with a minimum of the following: a) Chief Executive Officer b) Company Secretary c) Chief Finance Officer d) Chief Technology Advisor e) Chief Operating Officer f) Compliance Officer g) Risk Officer h) Money Laundering & Reporting Officer i) Internal Auditor j) Head of Brokerage[1]		
18.	For Fit and Proper of: **a) Substantial Shareholders (Holding 10% or more), Directors, Senior Officers:**		

[1] Compliance Officer, Risk Officer and Money Laundering & Reporting Officer may be combined into one role where applicable.
The assessment of key personnel shall be assessed against the requirements provided under Paragraph 5 of Circular No.6 of 2026.

No.	Requirement	Met (Y/N/NA)	Comment
	i. Duly filled and executed Fit and Proper Assessment Form (Fourth Schedule) ii. Updated CV iii. Police Clearance Certificate from country of residence issued within the past one year iv. National ID or Passport Biodata page v. Credit Reference Bureau Certificate or 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) i. Letter of good standing from ICPAK or an equivalent recognised international professional body.		
19.	System: i. A description of the systems and controls of the proposed virtual asset investment advisory business. ii. Successful System Demo to the Capital Markets Authority for the system or platform to be deployed.*(demonstrating its ability to enable real-time public access to trading information, incorporate mechanisms for transparent and efficient price discovery, maintain a complete and tamper-proof audit trail of all transactions, and implement adequate cybersecurity, resilience and access control measures.)* iii. An independent information systems audit report, including a vulnerability assessment and penetration test, prepared by a suitably qualified and competent person. iv. Evidence of the existence of systems and controls to maintain market integrity.		
20.	Organizational Chart (Organogram with name of personnel) – should include proper reporting lines to the		

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	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 lines) and directly to the board (use continuous line).		
21.	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; v. The class(es) of virtual assets in which the applicant intends to broker transactions; vi. technology and security infrastructure; vii. risk management framework; viii. compliance and internal controls; ix. financial projections; x. market analysis; xi. fees and charges structure; xii. consumer asset safeguarding arrangements; and xiii. implementation plan.		
22.	Details of business physical premises, email address and website.		
23.	Copies of contracts in case of outsourcing arrangements.		
24.	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		

No.	Requirement	Met (Y/N/NA)	Comment
25.	A Declaration indicating whether the applicant intends to provide any other services which are regulated under the Act and these Regulations.		
26.	Evidence of the applicant's registration with any other regulatory authority, if applicable.		
27.	Evidence of adequate insurance coverage commensurate with the risks and scale of the proposed broker 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 authority, in consultation with the Insurance Regulatory Authority.		
28.	Letters from the principal bankers for the virtual asset business bank(s) confirming accounts held.		
29.	A list of proposed virtual asset custodians.		
30.	Customer due diligence procedures performed prior to onboarding a consumer or subscriber, in accordance with the Proceeds of Crime and Anti-Money Laundering Act (regulation 32).		
31.	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.		
32.	Procedures under regulation 109 to ensure consumers understand the risks of a recommended transaction, receive reliable information, and are not given misleading information or promised a return on any investment.		
33.	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.		
34.	Proof of payment of the application fee of Kshs. 100,000 (First Schedule) on E-Citizen.		
35.	Submission of a complete application via E-Citizen and delivery of physical application at the Authority's office.[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.