VIRTUAL ASSET OFFERING PROVIDER (INITIAL COIN OFFERING) LICENSING CHECKLIST

Compliance with Licence Requirements

Part VI the Virtual Asset Service Providers Act, 2025, The Capital Markets Act and Part II, Part III, Part IV and Part VI of the Virtual Asset Service Providers Regulations, 2026 and any other applicable regulations

Virtual Asset Offering Provider - Initial Coin Offering means a person licensed to issue, promote or facilitate the offer to the public of an initial coin offering, being virtual assets issued to raise funds for a project, in accordance with Part VI of the Regulations.

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 Licence (Second Schedule).		
3.	Certified copy of the Certificate of Incorporation.[1]		
4.	Certified copy of Memorandum and Articles of Association of the Applicant.		
5.	Copy of KRA PIN and Tax Compliance Certificate.		
6.	Up-to-date details of the directors and shareholders of the applicant (CR12).		
7.	A copy of the register of beneficial owners of the applicant (Form BOF1- downloaded from BRS).		
8.	Evidence of paid-up capital as per the audited financial statements of at least Kshs. 20,000,000 and liquid capital of at least Kshs. 4,000,000 or 8% of total liabilities, whichever is higher (Fifth Schedule); and Certified Bank Statements		
9.	Evidence of shareholder funds of at least of at least Kshs. 20,000,000 as per the audited		

[1] *A Virtual Asset Offering Provider (Initial Coin Offering)shall be a company limited by shares registered under the Companies Act (Cap 486) or a foreign company limited by shares and registered under the Companies Act (Cap 486)*

No.	Requirement	Met (Y/N/NA)	Comment
	financial statements or 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 independent auditor in the case of a newly incorporated applicant and certified bank statements		
11.	In addition, 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.	A declaration by the indivividual 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, ii. at least one-third of whom are independent, and not more than one-third of whom are related to any other director; iii. at least three board directors shall be natural persons; iv. A director shall not serve in more than two boards of Virtual Asset Service Providers; v. the chairperson or shall not also be appointed chief executive officer.		
16.	Board Audit and Risk Committee and any other relevant committees and any other relevant committees of the board.		

No.	Requirement	Met (Y/N/NA)	Comment
17.	Board Charter specifying roles of the Board, the Chairperson and the Chief Executive Officer.		
18.	Human Resources:[2] Evidence of the existence of sufficient human resources to operate an ICO business with a minimum of the following: a) Chief Executive Officer b) Finance Officer c) Compliance Officer d) Internal Auditor e) Head of ICO Operations f) Chief Technology Officer g) Anti-Money Laundry Officer h) Company Secretary i) Risk Officer[3]		
19.	For Fit and Proper of: **Significant Shareholders holding at least ten percent or more shareholding , 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 issued within the last one year; iv. Certified copy of National ID or Passport v. Credit Reference Bureau Certificate vi. Recent coloured Passport Photo; 2 by 2 inches **a) 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.		

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

[3] The roles of compliance officer,MLRO & Risk officer may be combined into one role

No.	Requirement	Met (Y/N/NA)	Comment
	b) **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 recognised by ICPAK. ii. **For the Company6 Secretary,** a letter of good standing from ICPSK.		
20.	Systems: i. A description of the systems and controls of the proposed ICO business. ii. A System demonstration (System Demo) to the CMA prior to approval of the trading system or platform on which the offering will be conducted, 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; and confirmation that the approved offering will only be conducted through an approved trading platform. iii. An independent information systems audit report, including a vulnerability assessment and penetration test not older than 12 months and meet the requirements Regulation 82) iv. Evidence of the existence of systems and controls to maintain market integrity.		
21.	Business Plan: A business plan prepared in accordance with the Third Schedule, covering: i. executive summary; ii. a clear organisational structure with names of incumbents inserted (with a separate virtual asset business unit with its own management structure and books		

No.	Requirement	Met (Y/N/NA)	Comment
	of account where applicable). There should be a directed solid reporting line from the Internal Auditor and Compliance & Risk Officer to the Board and a dotted reporting line from these officers to the Chief Executive Officer; iii. operational plan; iv. description of the virtual asset services to be provided; v. The class(es) of virtual assets in respect of which the applicant intends to make offerings; 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.	Copies of contracts in case of outsourcing arrangements.		
23.	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		
24.	A Declaration indicating whether the applicant intends to provide any other services which are regulated under the Act and these Regulations.		

No.	Requirement	Met (Y/N/NA)	Comment
25.	Details of business physical and email address and website.		
26.	Evidence of the applicant's registration with any other regulatory authority, if applicable.		
27.	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.		
28.	Evidence of the existence of systems and controls to maintain market integrity, including the avoidance of market abuse, misselling and fraud risks.		
29.	Details of the applicant's principal business address and website.		
30.	Evidence of adequate insurance coverage commensurate with the risks and scale of the proposed offering business, including cover against cybersecurity risk, theft, and loss of keys (regulation 88) by an insurer 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..		
31.	Names and addresses of the principal bankers for the virtual asset business, together with an official letter to the CMA letter from the bank(s) confirming the account details provided.		
32.	A list of the applicant's proposed virtual asset custodians and other service and technical providers, and the services each provides together with the draft service level agreements.		
33.	Procedures for providing information at the point of service.		
34.	Customer due diligence procedures performed prior to onboarding a consumer in accordance with the Proceeds of Crime and Anti-Money Laundering Act (regulation 32).		

No.	Requirement	Met (Y/N/NA)	Comment
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.		
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.