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Now Accepting Applications

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The Capital Markets Authority Board approved the Regulatory Sandbox Policy Guidance Note (PGN) on 26 March 2019.

The PGN provides a framework for the establishment of a Regulatory Sandbox to allow for the live testing of new products, services, and solutions that have the potential to deepen the Kenya’s capital markets.

The PGN (Available on: www.cma.or.ke) provides the following: Eligibility, Application and acceptance criteria; Testing plans; Records and reporting requirements; and Regulatory relief and Safeguards for participants within a Sandbox environment.

The Capital Markets Authority invites interested firms and applicants to apply for admission to the Regulatory Sandbox.

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**Key Definitions**

“Capital Markets” are a broad category of markets facilitating the buying and selling of long-term financial instruments such as stocks, bonds, collective investment schemes, asset backed securities among others. Capital markets channel savings and investment from suppliers of capital such as investors and institutional investors, and users of capital like businesses, government and individuals.

“Regulatory Sandbox” is a tailored regulatory environment for conducting limited scale, live tests of innovative products, solutions and services as further defined in this Policy Guidance Note.

“Applicant” is a company limited by shares that has applied for approval to participate in the Regulatory Sandbox.

“Participant” is an Applicant that has been accepted by the Authority to participate in the Regulatory Sandbox.

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**Eligibility Criteria**

a) Company incorporated in Kenya or is licensed by a securities market regulator in an equivalent jurisdiction; and

b) Intends to offer an innovative product, solutions or service in Kenya following a successful exit from the Regulatory Sandbox.
| Are you Eligible? | Innovative capital markets-related products, solutions and services |
| Not Eligible | Proposed products, services or business models that are already clearly addressed under existing laws and regulations. |
| Application Checklist | 1) Completed application form as set out in Annex A of the PGN (Available on: www.cma.or.ke); 2) Certified copies of all registration documents; 3) Certified list of directors and shareholders, if applicable; 4) CVs for all founders and key management personnel; 5) Outline of business model for the product, solution or service; 6) Projected plan and clear strategy for exiting the Regulatory Sandbox |
| Application Fee | Non-refundable fee of Kshs10,000. (Payable during submission of application) |
| Next Steps | Applicant to expect feedback on the next course of action within fourteen working days |
| Participation | Based on application and approval by the Authority and does not guarantee any special status to operate in the marketplace after completion of the testing program without further approval by the Authority. |
1) Completed application form as set out in Annex A of the PGN (Available on: www.cma.or.ke);
2) Certified copies of all registration documents;
3) Certified list of directors and shareholders, if applicable;
4) CVs for all founders and key management personnel;
5) Outline of business model for the product, solution or service;
6) Projected plan and clear strategy for exiting the Regulatory Sandbox.

ALL APPLICATIONS FOR ADMISSION INTO THE SANDBOX ARE SUBMITTED TO THE CHIEF EXECUTIVE OF THE AUTHORITY ON A PRESCRIBED APPLICATION FORM WHICH CAN BE OBTAINED FROM www.cma.or.ke.

EXIT OF THE PARTICIPANT FROM THE SANDBOX THROUGH EITHER OF THE FOLLOWING:
1. SUCCESSFUL APPLICANTS TO BE REQUIRED TO MAKE APPLICATION TO BE LICENSED.
2. SUCCESSFUL APPLICANTS TO BE GRANTED PERMISSION TO OPERATE IN KENYA SUBJECT TO COMPLIANCE WITH THE TERMS OF A LETTER OF NO OBJECTION.
3. UNSUCCESSFUL APPLICANTS TO EXIT FROM THE SANDBOX.
4. AUTHORITY TO EXTEND THE TESTING PERIOD BEYOND 12 MONTHS WHERE THE APPLICANTS MAKES A REQUEST FOR ADDITIONAL TIME.

CONTINUOUS SUPERVISION OF THE ACTIVITIES OF THE PARTICIPANT IN THE SANDBOX INCLUDING REAL TIME VISIBILITY/SURVEILLANCE, RISK ASSESSMENT, OFFSITE AND ONSITE INSPECTIONS.

REVIEW OF APPLICATIONS BY THE AUTHORITY & FEEDBACK ON THE OUTCOME OF THE REVIEW PROCESS TO THE APPLICANT.

STEPS TO ADMISSION INTO THE REGULATORY SANDBOX

PRE-ADMISSION

POST-ADMISSION
For more information please contact us on:

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