



CIRCULAR NO.CMA/MRT/003/2015

December 7, 2015

TO:

**Market Intermediaries
Listed Companies
The General Public**

RE: APPLICATION PROCESSING TIMES AND PROCEDURES

Reference is made to the above subject.

The Authority wishes to highlight the following:

1. The Authority is committed to facilitating potential capital markets participants to start business and raise capital while nonetheless fully executing its gatekeeper mandate to ensure fitness and propriety of players as well as the quality and completeness of information in respect of approved products in the industry.

2. Response times

When the Authority receives applications for consideration, it undertakes review of the same to assess compliance with statutory requirements. In the exercise of this function, the Authority always reserves the right to request for any additional information that may be required to adequately evaluate the application (as per Section 13 of the Capital Markets Act).

The Authority's Service Charter provides that an applicant has a right to receive a response from the Authority within fourteen (14) working days from the date of receipt of an application or supplemental documentation in support of such an application.

3. Approval times

Upon compliance with the Capital Markets Act and requisite Regulations under which the application has been made, an applicant has a right to be issued with an approval to their application.

The Authority is committed to complying with the following turn-around times in the grant of approvals as evidenced in the Authority's 2015/2016 Performance Contract with the Government of Kenya:

No.	Application Category	Turn-around time
1.	Issuance of licenses	Within twenty five (25) working days upon meeting all requirements*
2.	Issue of securities and private transfers	Within fourteen (14) working days upon meeting all requirements
3.	Other corporate actions incidental to the issue of securities and licensing of market intermediaries (including but not limited to the issue of additional shares, bonus issues, share splits, shareholders circulars, disclosure documentation relating to takeovers and mergers, issue of additional shares to ESOP Trustees and approval of stockbroking agreements)	Within seven (7) working days upon meeting all requirements
4.	Announcements, Adverts and Marketing Material	Within one (1) working day of submission of a complete application

* 'Meeting all requirements' includes receipt by the Authority of any third party information that may be required in the review of an application).

4. Engagement with the Authority

In as much as possible, applicants are encouraged to familiarize themselves with the regulatory requirements which are set out in the respective Regulations and summarized in the application checklists (posted under the Licensing and Approvals link of the Authority website, www.cma.or.ke) and to engage the Authority on areas that require clarification of the regulatory requirements. The Authority particularly emphasizes the need to seek such clarity even in the structuring process (for capital raising transactions) so as to submit as complete as possible applications and therefore avoid delays.

5. Receipt of applications

The Authority notes that there has been an increase in the submission of incomplete applications by applicants. This hinders efficient conduct of the application review process by the Authority.

In light of the above, from the date of this circular, the Authority shall only commence formal review of an application where the application submitted is

complete. An application shall be deemed complete where all the required information and documentation in support of the subject application has been submitted, as required by the Capital Markets Act and the attendant Regulations.

The Authority will therefore undertake a pre-review assessment of applications within three (3) days of the date of submission of an application. This is in order to confirm whether an applicant has submitted a complete application. Where an application is deemed not to be complete, it shall be returned to the applicant with comments on what has not been provided.

The Authority, where appropriate shall notify the applicant where third party information remains outstanding and it shall be the responsibility of the applicant to ensure that all required information is received to allow the Authority to commence its review of an application.

Applicants are requested to make reference to the checklists on the Authority's website and ensure compliance with all the requirements prior to submission of their applications.

6. Application Closure

Further, please be advised that the Authority shall proceed to close applications that remain pending for a period of more than three (3) months from the date of the Authority's communication of outstanding issues in respect of the application or where highlighted issues remain unaddressed. Therefore, applicants are urged to ensure that they revert to the Authority in a timely manner and should feel free to engage the Authority should they require any guidance.

7. Application Portal

Applicants are reminded to submit their applications to the Authority online via the Online Application Portal, which can be accessed via portal.cma.or.ke. Should you have any request for assistance/guidance in this regard, kindly contact portal@cma.or.ke

We thank you for your co-operation on this matter.



Paul M. Muthaura
Ag. CHIEF EXECUTIVE

