

- The introduction of Listing Platform for SME and Venture Companies through the Growth and Enterprise Market Segment (GEMS).
- Targeting to become the continents hub for Islamic Capital Markets Products.
- Targeted investor education frameworks targeting the Diaspora.
- Establishing a Capital Markets Master Plan committee involving local and international stakeholders chart strategic mechanisms for the capital markets to attainment of the Vision 2030.

The Authority operates an **Investor Compensation Fund** to grant compensation to investors who suffer pecuniary loss resulting from failure of a licensed stockbroker or dealer to meet his contractual obligations.

The Authority has established a **Capital Markets Fraud Investigation Unit (CMFIU)** staffed by police officers with expertise in financial crime and forensic investigation in order to proactively manage the risk of fraud through prevention, detection and response.

Opportunities for Investment in Kenya

- Foreign investors entitled to own up to **75%** of a listed company
- Kenya, through the Vision 2030, is geared to become an **international financial center**
- Kenya's deepening of the bond market provides opportunities for:
 - **Structured of debt** (ABS, Covered Bonds, Convertible Bonds),
 - **Arrangers and Placing Agents** (including securitization agents),
 - **Credit Rating**,
 - **Credit Enhancement Services**
- Opportunities to introduce new **Trading Platforms**
- Strong opportunities for **Private Equity and Venture Capital** in thriving ICT and Energy Sectors with exits provided through listing on the Growth and Enterprise Market Segment,
- The establishment of **Futures Exchange, commodities markets and metal and minerals exchange** in Kenya will provide opportunities for:
 - **Commodity Pool Operators**
 - **Futures trading advisors**
 - **Intermediaries** (Trading Members, Trading cum Clearing

- Members; Integrated Clearing members, Institutional Clearing members)
- **Warehouses and warehouse receipting systems**
- Latent potential for **Islamic Financing offering products** such as Sukuks and Sharia compliant Mutual Funds
- **Establishment of Carbon Credit Market** to further deepen our markets

Selected Investors Tax Incentives

- **Reduction of withholding tax applicable to dividend income** arising from investment on listed securities for both local and foreign investors. Foreign 15% to 10%; local 5%.
- **Reduction of withholding tax rate on interest income arising out of fixed income securities** such as bonds reduced to 15% and made a final tax.
- **Tax exemption for investment income of a pooled funds** registered by the Commissioner.

For further information, please contact:



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Disclaimer

This brochure is by no means a conclusive document. The Capital Markets Authority takes no responsibility for any consequences arising from decisions taken on the basis of the contents of this brochure. For more information or clarification on Collective Investment Schemes, please refer to our regulations on the same which are available at our website: www.cma.or.ke



AN OUTLOOK OF CAPITAL MARKETS IN KENYA: 2012/2013

