



**Circular: CMA/MRT/001/2015**

November 6, 2015

To: All Licensees

**RE: MARKET CERTIFICATION AND COMPETENCY STANDARDS PURSUANT TO REGULATION 19(3) OF THE CAPITAL MARKETS (CORPORATE GOVERNANCE) (MARKET INTERMEDIARIES) REGULATIONS, 2011**

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The Capital Markets (Corporate Governance) (Market Intermediaries) Regulations, 2011 (**the Regulations**) were enacted on October 14, 2011 and came into effect on 14 October 2012.

Regulation 19(3) of the Regulations provides that the management of a market intermediary shall ensure that:

*..... all employees have and document an appropriate training programme based on the needs of the market intermediary and the requirements of the Authority.*

Pursuant to this provision, kindly be advised that -

1. All employees of a market intermediary licensed under the provisions of Part IV of the Capital Markets Act who have direct dealings with clients and trading activities on behalf of clients and with less than ten (10) years' experience in the capital markets industry (**the target employees**) shall be required to undertake and successfully complete the **Securities Industry Certification Program (SICP)** to be administered by the **Chartered Institute of Securities and Investment (CISI)** United Kingdom, which has been endorsed by the Authority for this purpose.

Provided that the person who has undertaken a comparative program may apply to the Authority for exemption.

2. The certification of target employees shall be deemed to be a prerequisite for the issue of a license as part of the training requirements stipulated under

Regulation 19 (3) of the Regulations.


3. The transition period for compliance with this requirement is a period of one (1) year from January 4<sup>th</sup>, 2016 (the **Transition Period**).

Upon certification of target employees of market intermediaries, they shall be required to accumulate annual Continuing Professional Development (**CPDs**) as part of their continuous training requirements, which shall include CISI training programs and such other programs submitted and approved by the Authority.

The Capital Markets Authority is committed to ensuring that the capacity of market intermediaries is enhanced in line with international best practice in order to improve the levels of service delivery in the market and attract increased investment within the Kenyan capital markets.

All market intermediaries are expected to take note of the foregoing requirements in their implementation of Regulation 19(3) of the Regulations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul M. Muthaura', with a long horizontal flourish extending to the right.

Paul M. Muthaura  
**Ag. CHIEF EXECUTIVE**