



JOINT INDUSTRY GUIDE BY THE CAPITAL MARKETS AUTHORITY (CMA)

AND

THE INSTITUTE OF CERTIFIED INVESTMENT AND FINANCIAL ANALYSTS (ICIFA)

TO THE FINANCIAL MARKETS INDUSTRY

Pursuant to partnership arrangements between the Capital Markets Authority (CMA) and the Institute of Certified Investment and Financial Analysts (ICIFA or the Institute), the two organizations hereby make this joint statement for the benefit of the capital markets as well as the public. CMA and ICIFA work jointly in many aspects for the better carrying out of the functions of the two organizations. The CMA is represented on the Council and statutory committees (Registration Committee and Disciplinary Committee) of the Institute, which is also mandated under the Investment and Financial Analysts (IFA) Act to advise CMA on licensing matters and professional standards relating to Investment and Financial Analysts. The collaboration is aimed at, among others, enhancing integrity, skills and professionalism in the financial sector. In this regard, it is notified as follows:

1. In line with the Capital Markets Act and in particular Regulation 19(3) of the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations, 2011 (the Regulations), CMA has implemented a Securities Industry Certification Program (SICP) comprising two stages developed in collaboration with the Chartered Institute for Securities and Investments (CISI), namely the Introduction to International Securities and Investments (IISI) Kenya and the Regulations and Market Practice (RMP) Kenya, for client-facing employees of firms licensed by CMA who are involved in the trading activities or hold themselves out or who are held out by their employers as capable of providing advice or recommendations to clients. Employees and practitioners who deal directly with clients on a purely administrative or clerical basis and who do not provide advice or investment recommendations to clients are not required to sit for this exam. CMA and ICIFA encourage this client-facing skills development.
2. Stage One of SICP, the Introduction to International Securities and Investments (IISI), Kenya, has been ongoing since its launch in April of 2016 while Stage Two, the Regulations and Market Practice (Kenya), was launched on August 21st, 2016. The deadline for employees to comply with Stage One was January 4th, 2017 while the deadline to comply with Stage Two is August 21st, 2017. Please visit CMA website at www.cma.or.ke for more information on the modalities of preparing and taking SICP exams.
3. Section 20 (1) of the Investment and Financial Analysts (IFA) Act, 2015 stipulates that no person shall practice as a Certified Investment and Financial Analyst unless the person is registered as a

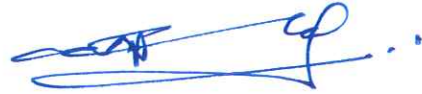
Certified Investment and Financial Analyst by the Institute of Certified Investment and Financial Analysts (ICIFA) and holds a practicing certificate from the Registration Committee of ICIFA. A person who satisfies the requirements of section 16 of the Act shall be eligible for registration as a Certified Investment and Financial Analyst.

4. In accordance with section 15 of the IFA Act, the Registration Committee may, on application and payment of the prescribed fees, register as an Investment and Financial analyst any person who, prior to the commencement of the Act on 8 December 2015, was a holder of a valid authority to practice issued in accordance with the provisions of any other Act, subject to applications having been received by the Registration Committee by 7 June, 2017. Visit the ICIFA website at www.icifa.co.ke for more information on the licensing requirements.
5. CMA and ICIFA are cognizant of the importance of integrity, accountability and professionalism in the development of disciplined financial markets. CMA and ICIFA are committed to mutually supporting compliance with IFA Act and CMA Act and Regulations.
6. Persons with relevant qualifications and working in the financial markets may register as Full or Associate Members. Such persons may include investment analysts, corporate financial analysts, securities analysts, derivatives analysts, investment managers, treasury managers, research analysts, portfolio managers, fund managers, corporate finance managers, investment advisors, and financial transaction advisors among others. Persons heading relevant departments and divisions among others are encouraged to be members of the Institute.
7. A salaried employee of government or of any other person does not practise as an investment and financial analyst by reason only of doing, in their capacity as such employee, any of the acts referred in the IFA Act, provided they do not practise or hold themselves out to the public as investment and financial analysts entitled to do so under the IFA Act. Such employee is however encouraged to register as investment and financial analyst but is not required to have a practicing certificate unless required by the employer to undertake particular professional roles which may be required to be undertaken by a registered investment and financial analyst holding a practicing certificate.
8. Persons within the capital markets sector who have professional qualifications approved by ICIFA, such as CIFA, CFA, CIIA and similar qualifications which may be approved are encouraged to register as Full members of ICIFA.
9. Professional firms, including audit firms with transaction advisory arms or persons authorized under any written law, may only undertake the work of an investment and financial consultant or investment advisor in the course of practicing their profession provided such work is limited to their profession. Such firms and professionals are required to have a person who is registered as a Certified Investment and Financial Analyst who holds a practicing certificate and an annual license as appropriate if they undertake or intend to undertake activities falling under the IFA Act.

10. CMA and ICIFA intend to collaborate on reciprocal programs. More details on Exemptions and CPD requirements under collaboration arrangements between the two institutions will be advised separately.



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