

## MONEY MANAGERS



### Compliance with licensing requirements

*Section 29 of the Capital Markets Act, The Capital Markets (Online Foreign Exchange Trading) Regulations 2017, Part V of the Capital Markets (Licensing Requirements) (General) Regulations, 2002 and the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations, 2011.*

NO	Requirement	Met Y/N	Additional comments (if any)
1	Duly completed and executed application form (Form 1) in duplicate		
2	A company incorporated in Kenya and limited by shares		
3	Certificate of incorporation		
4	Memorandum and articles of association		
5	An agreement with an Online Foreign Exchange Broker licensed by the Authority (CMA)		
6	The following Policies: a) Client on-boarding policy b) Individual Investor Risk assessment Policy c) Risk management Framework for the company d) Anti-Money Laundering and Know Your Client checks e) Product sensitization framework including client appropriateness assessment f) International Dispute mechanism to resolve customer disputes and complaints		

	<p>g) Policy on appointment of Employees</p> <p>h) All relevant Service Level Agreements with other Online Foreign Exchange market service providers, where applicable.</p>		
9	Has a Chief Executive who is a fit and proper person as described under section 24A of the Act and who has experience of not less than five years in the business of buying, selling, managing, or dealing in forex, forex futures or futures contracts and is a member of a professional body.		
10	A statement of the un-audited accounts for the period of accounting year ending not earlier than six months prior to the date of application and audited annual accounts for the preceding two years or an auditor's certificate in case of a newly established entity.		
11	Has the necessary infrastructure including office space, equipment and staff to effectively discharge its activities.		
12	Has as its directors and key personnel, persons who are fit and proper as described under section 24A of the Act.		
13	Has a minimum capital of Kenya Shillings Ten Million.		
14	Liquid Capital: Undertaking to maintain at all times, liquid capital of— (i) Five Million shillings or eight per cent of total liabilities whichever is higher.		
15	A shareholder, a director and all key personnel of the applicant shall be		

	persons who have not defaulted in payment of dues at any securities exchange, clearing house or a central bank or any bank ( <i>Provide a declaration on compliance and a clearance certificate from a licensed Credit Reference Bureau</i> ).		
16	Where the applicant is a subsidiary or a branch of an Online Forex Broker or Money Manager regulated in another jurisdiction, a letter from the foreign Online Forex Broker or Money Manager evidencing the existence of such relationship and legal documents, including a copy of their agreement.		
17	Where the Money Manager is regulated in another jurisdiction, a letter from the regulator from the foreign jurisdiction confirming that the Money Manager is licensed and in good standing as well as giving a no-objection for the Money Manager to operate in Kenya.		
18	Compliance with the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations Legal Notice No. 144 of 2011.		
19	Appointed a Compliance Officer accredited by the Chartered Institute of Securities and Investments (CISI).		
20	Appointed an Anti-Money Laundering Reporting Officer who can also be the Compliance Officer.		
21	A statutory declaration by the directors as to whether after due enquiry by them in relation to the interval between the date to which the last accounts have been made and a date not earlier than fourteen days before the date of the application – i) the business of the		

	<p>company has, in their opinion, been satisfactorily maintained;</p> <p>ii) there have, in their opinion, arisen any circumstances adversely affecting the company's trading or value of its assets;</p> <p>iii) there are any contingent liabilities by reason of any guarantees given by the company or any of its subsidiaries;</p> <p>iv) there are, since the last annual accounts, any changes in published reserves or any unusual factors affecting the profit of the company or any of its subsidiaries.</p>		
22	<p>Board of Directors which should comprise of:</p> <p>a. A minimum of 3 directors a third of whom must be natural persons;</p> <p>b. At least one third should be independent and non-executive directors; and</p> <p>c. Not more than one third of the directors who are close relations of any director.</p>		
23	<p>A director should not hold more than 2 directorships in market intermediaries unless they are subsidiaries or holding companies.</p>		
24	<p>The Chairman of the Board must be a non- executive Director.</p>		

25	<p>Appointed a Company Secretary who is a member of the Institute of Certified Secretaries in good standing.  <i>(Disclose the name of the individual and their ICS Number)</i></p>		
26	<p>Shareholding Structure, detailing the number of shares, the percentage holding and including the ultimate beneficial shareholding of all corporate shareholders and any existing Trusts if applicable.</p> <p><i>(Please note the shareholding structure requirements as stipulated under section 29 of the Capital Markets Act)</i></p>		
28	<p>Operating and IT system <i>(describe the system in place or the system to be put in place once licensed)</i></p>		
29	<p>Details of staff:</p> <p><i>(Please note the requirement for the Chief Financial Officer, Risk Management Officer, Compliance Officer and the Internal Audit functions as per the Corporate Governance Regulations)</i></p> <p>The Internal Auditor and Chief Financial Officer must be members of Members of ICPAK and the Internal Auditor must not be the Compliance Officer.</p>		
30	<p>Submission of a board charter that:</p> <ol style="list-style-type: none"> <li>a. confirms the Board's responsibility for adoption of strategic plans, monitoring operational performance, the determination of policies and</li> </ol>		

	<p>processes that ensure the intermediary's risk management and internal controls;</p> <p>b. reserves specific powers to itself and delegates other matters to the management of the market intermediary;</p> <p>c. provides a code of conduct that addresses conflict of interest relating to directors and management which shall be regularly reviewed and updated as necessary; and</p> <p>d. Identifies the key risk areas that require regular monitoring.</p>		
31	Clear separation of roles and responsibilities of the Chairman and Chief Executive.		
32	Comprehensive Curriculum Vitae for directors and key personnel.		
33	Duly filled and executed Fit & Proper Forms for directors and key personnel.		
34	Valid certified copies of Police Clearance Certificate for directors and key personnel.		
35	<p>Board composed of a balance of executive and non-executive directors</p> <p>i</p> <p>At least one third to be independent and non-executive directors of diverse skills or expertise (this should be disclosed in the annual report)</p>		
36	Establishment of an audit committee of at least three independent and non-executive directors by the board who		

	shall report to it.		
37	A statutory declaration by the directors confirming that all information submitted in support of the application is accurate and taking responsibility for the submitted information.		
38	Application fee of KES 10,000		