



## PUBLIC NOTICE

### THE CAPITAL MARKETS ACT (CAP 485A)

# DRAFT GUIDELINES ON SHARE BUYBACKS FOR LISTED COMPANIES

The acquisition by limited companies of their own shares was introduced in Kenya pursuant to the **Companies Act, 2015** (the Companies Act) to provide limited companies with a unique opportunity to consider this option as an additional strategy for them to re-invest in their operations.

**Part XVI** of the **Companies Act** contains general procedures to be applied by any limited company intending to acquire its own shares either through a market purchase or an off-market purchase.

In addition to the requirements under the Companies Act, the Capital Markets Authority pursuant to **Section 11(3) (d)** of the **Capital Markets Act, Cap 485A** has developed draft Guidelines on Share Buybacks by Listed Companies, 2020 that will apply to companies listed at the Nairobi Securities Exchange. The draft Guidelines provide additional requirements for share buyback transactions by listed companies, including disclosures, approval requirements and timelines. The Guidelines seek to enhance investor protection, promote liquidity and ensure transparency in share buyback transactions.

In accordance with **Section 12A(3)** of the **Capital Markets Act**, the Authority now invites stakeholders and the general public to submit comments on the proposed Guidelines on Share Buybacks for Listed Companies, available on [www.cma.or.ke](http://www.cma.or.ke).

Kindly submit your comments by **July 31, 2020** to:

The Ag. Chief Executive  
Capital Markets Authority  
P.O. Box 74800-00200 Nairobi  
3<sup>rd</sup> Floor, Embankment Plaza  
Longonot Road, Upperhill  
Email: [comments@cma.or.ke](mailto:comments@cma.or.ke),  
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