

REGULATORY NOTICE

No. 3/2018

MARKET CERTIFICATION AND COMPETENCY STANDARDS PURSUANT TO SECTION 35(2) OF THE CAPITAL MARKETS AUTHORITY ACT AS AMENDED

Date:
16/7/2018

Section 35(2) of the Capital Markets Authority Act Cap 84 as amended provides that:

Type of Notice:
Guidance

“An approved person shall meet such minimum financial requirements, educational qualifications and other requirements as may be determined by the Authority.”

Suggested routing:

- All approved persons
- All licensed persons

Pursuant to this provision, Capital Markets Authority (CMA) licensed intermediaries should be advised that:

Topic(s)
Market Certification and Competency Standards

1. Employees of market intermediaries licensed under Section 30 (1) of the of the CMA Act defined as representatives shall be required to undertake and successfully complete the Certification Program to be administered by the Chartered Institute of Securities and Investment (CISI), which has been endorsed by the Authority for this purpose. For avoidance of doubt, Representatives include: dealers/traders, executive directors, analysts and compliance officers or any other person employed by a licensee as prescribed by the Authority (hereafter referred to as **target employees**).

2. For clarity of 1 above, Target Employees will be required to undertake:

- a) *International Introduction to Securities and Investments (Africa) course* ;
- b) *Regulations and Market Practices (Kenya) course*.

3. Target Employees will be exempt from 2(a) above if they hold: academic qualifications in finance; Chartered Financial Analyst qualifications; Financial Risk Manager qualifications; and Institute of Certified Investment and Financial Analysts' qualifications. Target Employees with any other comparative professional qualifications not mentioned above may apply for exemption from the Authority. It should be noted however that those with the aforementioned professional qualifications will still be expected to sit and pass the Regulations and

Market Practices (Kenya) course.


4. Target Employees able to provide evidence of 10 years' practical capital markets experience prior to the issuance of this regulatory notice shall be exempted from 2(a) above.

5. All certified Target Employees including exempted Target Employees will be required to attend Continuous Professional Development (CPD) training sessions as prescribed by CMA.

6. The certification of Target Employees shall be deemed to be a prerequisite for approvals and licences under 30(1) of the CMA Act as amended.

7. The transition period for compliance with this Regulatory Notice is a period of 18 months from the date of this notice. The requirement for CPD will come into force at the end of the aforementioned transition period.

8. This regulatory notice is a notification to the market on the commencement of the certification program. Detailed provisions will be made in the licensing regulations.



Keith Kalyegira
Chief Executive Officer