

PROSPECTUS APPROVAL APPLICATION CHECKLIST

Law applicable

- Capital Markets Authority Act as amended;
- Capital Markets (prospectus requirements) regulations as amended;
- Companies Act 2012
- Capital Markets (Book building) Regulations, 2016

	REQUIREMENT	DOCUMENT REQUIRED	STATUS
1. Legal Status of the Applicant	<p>Section 90G requires that a person shall not offer securities to the public for subscription and shall not issue or circulate a form of application for securities without a prospectus which complies with the CMA Act.</p> <p>Part II 2(c) of the Schedule to the Capital Markets Authority (Prospectus Requirements) Regulations SI 84-2 as amended requires that a Prospectus submitted to the prescribed authority for approval shall contain a statement on legal status and affairs of the issuer.</p>	<p>1. Articles and Memorandum of Association;</p> <p>2. Certificate of Incorporation and,</p> <p>3. Certificate of Change of Name</p> <p>4. Legal opinion on the legal status of the applicant.</p>	
2. The application	<p>Section 90G requires that a person shall not offer securities to the public for subscription and shall not issue or circulate a form of application for securities without a prospectus which complies with the CMA Act.</p> <p>Section 90G(2)(a) requires that the Registrar of Companies shall not register a prospectus unless the prospectus has been approved by the Authority and</p>	<p>1. Cover letter containing what type of approval is being applied for. The letter should stipulate the size of the offer or the book building arrangements;</p> <p>2. If the offer is intended for listing care must be taken to comply with part iv of the Uganda Securities Exchange Listing Rules</p>	

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	the Authority has stated in writing that it has approved the prospectus.	<p>requires that immediately after the offer at least 20% of the shares should be held by not fewer than 1,000 shareholders.</p> <p>3. Extract of board resolution of approving the offer;</p> <p>4. All necessary shareholder and board resolutions pertaining to the offer.</p>	
3. Book building option	<p>Regulation 6 of the Capital markets (Book building) regulations requires that every information memorandum shall be submitted to the Authority for approval prior to the opening of the book building.</p> <p>Regulation 14 (1) of the Capital Markets (Book building) Regulations, 2016 stipulates that an issuer may offer securities through book building</p> <p>Regulation 14 (2) of the Capital Markets (Book building) Regulations, 2016 stipulates that an issuer may offer up to one hundred percent of the offer subject compliance with the eligibility requirements for listing on a particular stock exchange.</p>	Communication of the book building arrangements (including work plan); this must come together with the application.	
4. The Offer	The offer must be clearly described in the prospectus; it must include among other things the number of shares on issue, the issue price, authorized and paid up share capital, classes of shares if any etc.	The offer details must be appropriately covered in the prospectus and also in the cover letter.	

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5. Offer time table		The offer time table must be disclosed in the prospectus.	
6. Declaration by Directors	<p>Regulation 7 of the Capital Markets (Prospectus Requirements) Regulations SI-84 as amended requires that an application for approval of a prospectus shall include a declaration, stating it to be to the best of the applicant's knowledge, information and belief that;</p> <p>(a) all information required to be included in the prospectus under the Regulations is so included; and</p> <p>(b) there are no other facts bearing on the application which in the applicant's opinion, should be disclosed to the prescribed Authority.</p>	The directors' declaration should be included in the prospectus.	
7. Prospectus Lodgement fees	Regulation 9 of the Capital Markets (Prospectus Requirements) Regulations, as amended requires that a lodgment fee of 0.2% of the value of the issue shall accompany an application for the approval of a prospectus in the case of an equity security	If the offer size can be predicted prior to the application (that is if the issuer is opting out of the book building process) a lodgment fee can be paid and evidence of its payment should accompany the application for approval of the prospectus; otherwise an interim approval fee should be made and later a top up can be made after the book building process.	

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8. Caution statement	<p>Part 1 of the Schedule to the Capital Markets Authority (Prospectus Requirements) Regulations SI 84-2 as amended requires the prospectus to contain a CAUTION statement stating the following:</p> <ul style="list-style-type: none"> • A copy of this Prospectus was submitted to the Capital Markets Authority for approval and to the Registrar of Companies for registration; • The securities offered have not been approved by the Capital Markets Authority; • Prospective investors should carefully consider the matters set forth under the caption "risk factors". 	The Caution statement should be included in the prospectus.	
9. Rights of holders	Part II of the Schedule to the Capital Markets Authority (Prospectus Requirements) Regulations SI 84-2 as amended states that the prospectus should disclose the rights of the holders.	Rights of holders should be disclosed in the prospectus.	
10. Information on bankers, registrar and other advisers	Part II of the Schedule to the Capital Markets Authority (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus shall contain details as relating to the bankers and registrars who provide services in respect to the issue.	These should be disclosed in the prospectus.	
11. Legal opinion	Part II of the Schedule to the Capital Markets Authority (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should include a statement on legal status and affairs of the issuer.	This should be disclosed in the prospectus.	
12. Details of the	Part II (d) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as	This should be disclosed in the prospectus.	

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Directors of the issuer	<p>amended requires that the prospectus include details of Directors relating</p> <ul style="list-style-type: none"> (i) a brief account of the business experience during the preceding five years of each director or person nominated to be a director, including his or her principal occupation in any company in which he or she was employed; (ii) whether any director, executive officer, person nominated to become a director or executive officer is or has been involved in any of the following events— <ul style="list-style-type: none"> (A) that person or any partnership in which he or she was a partner or any company of which he or she was an executive officer is or has been the subject of a filing of a petition under any bankruptcy law; (B) that person has been convicted in a criminal proceeding or is a named subject of a ruling of a court of competent jurisdiction or any governmental body, that permanently or temporarily prohibited him or her from acting as an investment adviser or as a director or employee of a broker or dealer, director or employee of any financial institution or engaging in any type of business practice or activity; (iii) the number of each class of shares of the issuer held by each director; 		

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	(iv) whether any director has the intention to sell any holdings in the same class of securities to be issued by the issuer in the public distribution within one year after the conclusion of the public distribution; (v) details of any material acquisitions or disposals of share capital of the issuer by each director within a one-year period prior to the public distribution; (vi) material details of all options to purchase securities of the issuer or any subsidiary or holding company of the issuer, granted to be purchased or exercised by each director within one year prior to the public distribution; (vii) details of any existing contracts between the directors and the issuer;		
13. Capital of issuer	Part II (d) (ii) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should include a disclosure on capital of the issuer.	This should be disclosed in the prospectus.	
14. Debt of issuer	Part II (f) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should disclose debt of issuer.	This should be disclosed in the prospectus.	
15. Land and fixed assets of issuer	Part II(g)(i) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should include	These should be disclosed in the prospectus.	

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and subsidiaries	details land and fixed assets of issuer relating to location, area or tenure (including in the case of leaseholds the rent and unexpired term) of the factories and main buildings.		
16. Risk factors	Part II (j) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should include risk factors relating to the business of the issuer, any new venture risks, construction risks, licensing risks, potential increased competition, regulation, dependence on key personality, taxation, level of indebtedness, dilution and unexpectedness of dividend.	These should be disclosed in the prospectus.	
17. Use of proceeds	Part II (k) of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the prospectus should include disclosure of use of proceeds of the issue (a statement on the intended use of the net proceeds of the issue including transient use of the proceeds).	This should be disclosed in the prospectus.	
18. Audited financial statements	Part III of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that a prospectus submitted to the prescribed authority shall be accompanied by a statement showing the financial performance of the issuer and its subsidiaries during the preceding five financial years containing a breakdown between the more important business activities, together with an explanation of the reasoning for the breakdown.	These should be part of the prospectus.	

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	<p>Part IV of the Schedule to the Capital Markets (Prospectus Requirements) Regulations SI 84-2 as amended requires that the directors of the issuer shall furnish to the prescribed authority a statement analyzing the financial statements included in the prospectus, and other statistical data, that serves to explain the present and prospective financial conditions of the issuer.</p> <p>Paragraph III(j) of the Schedule to the Capital Markets (Prospectus Requirements) regulations SI 84-2 as amended requires that where the audited financial statements submitted to the Authority are in respect of a period that ended more than six months before the date of the prospectus, the issuer shall include in the prospectus unaudited financial statements relating to a period not longer than ninety days from the date of the prospectus</p>		

Post approval requirements

	REQUIREMENT	DOCUMENT REQUIRED	STATUS
Submission of Book building results and the final prospectus for the retail offer	Section 90G requires that a person shall not offer securities to the public for subscription and shall not issue or circulate a form of application for securities without a prospectus which complies with the CMA Act.	Pending approval of offer by the Authority and opening of the book building process.	
Submission of the final prospectus	Section 90G requires that a person shall not offer securities to the public for subscription and shall not issue or circulate a form of application for securities without a prospectus which complies with the CMA Act.	Final/ revised prospectus	
Allotment results	Approval of allotment results by the Authority	Awaiting approval of Prospectus	

NOTE: All documents and information submitted should conform to what's filed with the Uganda Registration Services Bureau