

**INTRODUCTION TO CAPITAL MARKETS AUTHORITY  
KENYA**

**BY**

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# CAPITAL MARKETS AUTHORITY

Independent public agency set up in 1989 through an Act of Parliament Cap 485A Laws of Kenya.

## Vision of CMA Kenya

To be an innovative regulator of a robust and globally competitive capital market

## Mission statement

To make Kenya's capital market the premier choice for investors and issuers through robust regulation, supporting innovation and enhanced investor protection

# MANDATE OF CMA KENYA

- Licensing and supervising all the capital market intermediaries or licensed entities plus approved institutions such exchange, CDSC & collective investment schemes .
- Promoting market development
- Ensuring proper conduct of all licensed persons and market institutions.
- Promoting investor education and public awareness
- Regulating the issuance of the capital market products/instruments (bonds, shares etc.)

# CMA ORGANISATION STRUCTURE

The CMA is comprised of 6 directorates

1. CE office

Direct- Corporation secretary and legal services

Indirect - Internal audit

2. Corporate services

3. Technology

4. Policy and Market development

5. Market operations

# CMA LICENSED ENTITIES OR INTERMEDIARIES

- Fund Managers 25
- Stockbrokers 10
- Investment Banks 16
- Investment Advisers 14
- Authorized Depositories 19
- Authorized Securities Dealers 3
- Non Dealing Online Forex Exchange Brokers 3
- Online Foreign Exchange Money Manager 1
- REIT Trustees 3
- REIT Managers 9

# MANDATE OF MARKET SUPERVISION DEPT

To protect investor and maintain fair and orderly market through;

- Risk profiling for intermediaries.
- Onsite & offsite inspection
- Real time surveillance of the market
  - NSE
  - CDSC monitoring of settlement
- Works closely with approvals & financial analysis team, investigation and enforcement

# PRODUCTS OFFERED IN THE SECURITIES MARKET

## Equities

- Corporate bonds & Treasury bonds
- REITS – Real estate investment trusts- I-Reit & D-Reit
- Derivatives
- Forex
- ETF- New Gold ETF by Absa (SA)

## Other products & Services in the pipeline

- ABS – Asset backed securities
- Commodities
- Sharia compliant products
- Short selling and borrowing in equities

# A SAMPLE OF CMA KENYA, MARKET STATISTICS

NO. of listed companies – 60 in different sectors

## **Equity Turnover**

2019 - Kes 153B ~1.53B USD

2020- Kes 148B ~ 1.48B USD

## **Bonds turnover**

Govt Kes 690B~ 6.9B Usd in 2020 & Kes 651B in 2019 ~ 6.51B Usd

Corporate bonds in 2019 Kes 3.7b & in 2020 Kes 1.88B ~ Usd 37m & Usd18m

## **Market capitalisation**

2019 Kes 2539billion~ Usd 253.9billion and 2020 ~Usd233.6 billion



# CURRENT AFFAIRS IN KENYA

- In October 2020 – a company under the CMA sandbox became the first company to implement their idea on crowd funding – pezesha (debt based crowd funding)

CMA is in the process of reviewing a number of regulations;

- Collective investment schemes
- Public offers & Listing disclosures

## Others initiatives

- Drafting of crowd funding regs
- Introduction of global depository receipts & Notes
- Introduction of Asset backed securities
- Review of Risk profiling methodology and profiling tools



**THANK YOU FOR YOUR TIME**