

Capital Markets Policy Incentives Assessment

ToR Questions	Responses
<p>Could you please indicate how this assignment is expected to link with, inform, or align to any ongoing or planned UK-supported initiatives in Kenya's capital markets/financial sector space (e.g., FCDO, DBT, or other UK programmes), including any relevant coordination points we should factor into our methodology?</p>	<p>At the moment this assignment is not linked to ongoing initiatives but may be complementary to the development of the Kenya capital market master plan development process.</p>
<p>Key consultant (conditional availability / name disclosure) The ToRs require CVs for key experts. Would it be acceptable to include the CV of a critical expert on a conditional basis, with their name disclosed only if we are shortlisted/advance to the next phase, noting their confirmed availability from 1 January 2026?</p> <p>Mandatory experience requirement (three comparable assignments) For the requirement of three comparable assignments in the last 10 years, may these be demonstrated cumulatively across consortium/joint venture members, or must the lead firm meet this requirement independently?</p> <p>Definition of “comparable assignments” Could you confirm what is considered “comparable” for this assignment? Specifically, should these be strictly capital markets policy/incentives assessments, or would related financial sector/regulatory/market development diagnostics also qualify if relevant and well evidenced?</p> <p>Stakeholder engagement support Do CMA/FSD Africa have an existing stakeholder map and contact lists to support engagement across the eight regions, or should the consultant develop the stakeholder map and identify contacts independently?</p> <p>Budgeting and reimbursables a. Could you please share the applicable travel and reimbursement policy (eligible cost items, caps/rates, and approval process)?</p>	<p>Ideally, we would want to see all confirmed team members as it is on this basis that the evaluation team will assess the bid. The team composition is an important part of the eligibility criteria.</p> <p>They can be demonstrated cumulatively.</p> <p>Policy/incentives assessments within the capital market sector would be most suitable but we will also consider related financial sector regulatory/market development diagnostics may be considered if they are relevant. The evaluators will make a determination depending on the nature of these diagnostics.</p> <p>The project beneficiary, CMA Kenya will provide the stakeholder map and contact lists and provide insights on the engagement approach which is a constitutional requirement in Kenya.</p> <p>Click this link: FSD Africa's Travel Policy</p>

<p>b. Is there a preferred currency for pricing (USD or GBP), given Annex 1 allows both?</p> <p>c. If possible, is there an indicative budget ceiling or expected range for this assignment?</p>	<p>GBP.</p> <p>This tender is a competitive bid, whereby the financial proposal developed by bidding firms is a component of our assessment & evaluation. Additional information on the available budget will therefore, regrettably, not be shared as part of the bidding process. FSD Africa encourages bidders to provide competitive financial bids in line with the market rates.</p>
<p>Please confirm the budget envelope for Market Study on the Effectiveness of the Capital Markets Policy Proposals and Incentives</p>	<p>As above.</p>
<p>Scope & Depth of Regional Engagements Clarification: Is one consolidated regional engagement enough or are multiple engagements required per region (townhall + FGD + workshop)? County-level or regional-level representation?</p> <p>Quantitative vs Qualitative Requirements Clarification: What level of quantitative sampling is required? Representative national survey or indicative sampling?</p> <p>Definition & List of Policy Incentives Clarification: Should incentives include tax incentives, CMA regulatory reforms, sandbox measures, market structure adjustments, etc.? Should repealed or unimplemented incentives be included?</p> <p>Deliverables Timing vs Workload Clarification: Are weekly deliverable deadlines fixed? Can activities be phased differently as long as the project finishes in 180 days?</p> <p>Stakeholder Access & Contact Lists Clarification: Will CMA provide official stakeholder contact lists and endorsement letters for mobilisation?</p> <p>Access to CMA/FSD Africa Data & Prior Studies Clarification:</p>	<p>Multiple engagements will be required per region</p> <p>This is not very clear – what does this relate to?</p> <p>List of incentives is attached under Annex 1</p> <p>Yes</p> <p>Yes</p> <p>All relevant market data and studies which is required for the assessment will be shared by CMA.</p>

<p>Will CMA share historical market data, enforcement statistics, investor demographics, and past incentive studies?</p> <p>Evaluation Framework & Format of Recommendations Clarification: Should the evaluation follow OECD, Theory of Change, Results Chain, or CMA's internal frameworks? Should recommendations include costing and sequencing?</p> <p>Role of FSD Africa vs CMA in Approvals Clarification: Who approves deliverables—CMA alone or jointly with FSD Africa?</p> <p>Ethical Approval & Data Protection Clarification: Is NACOSTI approval required due to engagement with youth, women, and elderly groups? Any data protection requirements?</p> <p>Proposal Page Limit & Budget Template Clarification: How is the 10-page limit applied? Will CMA provide the required budget template (Annex 1)?</p> <p>Meeting Logistics & Cost Responsibility Clarification: Clarify the logistical and financial responsibilities associated with regional stakeholder engagements across the eight regions. Specifically: <ol style="list-style-type: none"> 1. Whether CMA or FSD Africa will provide venues for all regional engagements. 2. Whether CMA/FSD will handle stakeholder mobilisation and county liaison. 3. Whether the consultant should budget for venue hire, catering, PA system, documentation, branding, and event logistics. 4. Whether participant transport reimbursements or facilitation allowances should be included. 5. Whether county government meeting spaces will be provided at no cost. 6. Whether the consultant is responsible only for team travel or also for participant costs. </p> <p>We kindly request an extension of the submission deadline</p>	<p>CMA's internal framework and its capital mobilisation and market development objectives under the Capital Markets Act. Other metrics such as OECD, can also be applied.</p> <p>Both FSD Africa and CMA</p> <p>We are not aware of any approvals required.</p> <p>It is up to the bidder to structure their proposal as they deem fit within the 10 page limit – CVs and reference letters can be annexures. Fees and proposed expenses for consultant's travel should be clearly indicated.</p> <p>The cost and logistics for the stakeholder engagements will be handled by CMA. Consultant's costs for travel will be covered by FSD Africa</p> <p>Please note that the deadline has been extended to 12:00PM EAT 18 December 2025.</p>
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ANNEX 1

1.1. POLICY/TAX INCENTIVES 2010-TO DATE

No.	POLICY INCENTIVE	TARGETED IMPACT/OBJECTIVE	YEAR	Key Performance Indicators (Measure)	Target Population
1.	Amendment of the Second Schedule of the Central Depositories (Regulation of Central Depositories) Rules, 2004 to read as follows. “KSh. 150.00 per transaction on counter subject to a minimum of KSh. 50,000 and a maximum of Kshs. 5,000,000 per annum payable quarterly in arrears.”	Increase of Depository levy due to the Central Depositories and Settlement Corporation from KES 90 to KES 150 will support the financial sustainability of the Central Depositories and Settlement Corporation.	2024/2025	Percentage increase in revenue since amendment. Financial sustainability of the CDSC.	CDSC
2.	Amendment of the Capital Markets Act by deletion of section of Section 29. (4), (5), (6), (7) of the Capital Markets Act Cap 485 and inserting a new proviso as below “The Cabinet Secretary may prescribe by way of gazette notice the shareholding limits for the different license categories as it deems fit”.	The review of Licensees Shareholding Limits seeks to enhance the investor friendliness of the licensing regime.	2024/2025	Number of new license application from 2024.	Potential and existing licensees
3.	The maximum amount to be paid out per investor be revised upwards from the current Kshs. 50,000 to Kshs.200,000 for purposes of granting compensation to investors who suffer pecuniary loss resulting from the failure of a licensed stockbroker or dealer by amending Regulation 70 of the	This will increase investor confidence by enhancing the percentage of investors who can be fully compensated in the event of collapse of a stockbroker.	2023/2024	Percentage level of Investors confidence in the capital markets since amendment.	Existing and potential Investors.

No.	POLICY INCENTIVE	TARGETED IMPACT/OBJECTIVE	YEAR	Key Performance Indicators (Measure)	Target Population
	Capital Markets (Licensing Requirements) (General) Regulations, in sub regulation (1) by deleting the words “fifty” and substituting therefor the words “two hundred”.				
4.	Amendment of Part III of the Second Schedule of the Capital Markets (Licensing Requirements) (General) Regulations in Paragraph (e) by deleting the words, “subject to a maximum of Kshs.50 million” and adjusting the amount to Ksh. 60 million.	The adjustment of the listing fee cap for Government Securities was expected to enhance the financial sustainability of the Capital Markets Authority from listing fees for government securities.	2023/2024	Percentage growth in listing fee revenue from government securities after adjustment of the cap. Financial sustainability of CMA.	CMA
5.	Amend Regulation 27 (1) (b) of the Capital Markets (Real Estate Investment Trusts) (Collective Investment Schemes) Regulations, 2013 by deleting the words “five million” and substituting therefor the words “one hundred thousand” To amend the Stamp Duty Act-(i) in Section 96A (1) by deleting sub paragraph (b) and substituting therefor the following new paragraph- “that the effect thereof is to convey or transfer a beneficial interest in property from a person to a real estate investment trust for valuable consideration. 3. Deletion of Section 96A (4).	To increase the uptake of the REITs products in Kenya.	2023/2024	Number of new REITs established and listed following the stamp duty exemption. Change in the number of REITs investors REITS turnover.	Potential REIT Promoters. REIT Managers and Trustees Transaction advisers. REITS existing and Potential investors.
6.	The Capital Markets Act definition of an investment adviser to be amended by inserting the definition of “person” to include natural persons,	The amendment of the definition of an investment adviser sought to facilitate access to investment advisory services.	2022/2023	Number of investment advisers.	All Licensed Investment Advisers Potential investment advisors

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	partnerships and single director companies.				
7.	Amendment of Section 18(1) of the Capital Markets Act to state that; there shall be established fund(s) to be known as Investor Compensation Fund for the purposes of granting compensation to investors who suffer pecuniary loss resulting from the failure of a licensed broker or dealer, to meet his contractual obligations and paying beneficiaries from collected unclaimed dividends when they resurface.	To strengthen investor protection and market confidence by establishing and operationalizing investor compensation and protection funds that provide timely redress for losses caused by broker or dealer failures.	2020/2021	Change in the level of investor confidence in the capital markets. Investor protection in capital markets.	Existing and potential investors
8.	Amendment of Section 2 of the Income Tax Act by inserting the following definition in proper alphabetical sequence — “investee company” has the meaning assigned to it under the Capital Markets Act and the regulations made thereunder. Amendment of Section 20 of the Income Tax Act in subsection (1) by inserting the following new paragraph immediately after paragraph (c) — (d) an investee company of a real estate investment trust.	To attract more real estate investment trust listings since the launch of the segment in October 2015	2019/2020	Number of REITs listing since amendment. REITS turnover since amendment	REIT managers Existing a REITs investors Potential REITs issuers
9.	Amendment of the Income Tax to exempt Interest income accruing from all listed bonds, notes or other similar securities used to raise funds for infrastructure,	This tax neutrality measure was expected to promote the issuance of green bonds in support of the Kenya’s green initiatives.	2019/2020	Number of green bonds issued since 2019 Number of investors participating in Green Bond since 2019 Total value of green bonds issued since 2019.	Potential and existing issuers of green bond Potential and existing Investors of green Bond

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	projects and assets defined under Green Bonds Standards and Guidelines, and other social services, provided that such bonds, notes or securities shall have a maturity of at least three years.				
10.	Amendment of Section 12 of the Tax Procedures Act, 2015 by inserting the following new subsection immediately after subsection (5) (5A) The Commissioner may, upon receipt of an application made by or on behalf of any person or class of persons, exempt such person or class of persons from the requirement for a PIN for any of the transactions specified in the First Schedule.	Requirements for registering a PIN - The exemption for Foreign Investors in Marketable Securities from Registering a Personal Identification Number was expected to ease the administrative burden for foreign investors investing in the domestic capital markets.	2019/2020	Number of foreign investors since amendment Foreign turnover before and after the amendment	All foreign investors. NSE CDSC CBK Custodians
11.	Amendment of the Tax Procedures Act, 2015 by inserting the following new section immediately after section 37B — No. 23 Amendment of s. 12 of No. 29 of 2015. Insertion of new section 37C in No. 29 of 2015. Commissioner to refrain from recovering penalties or interest from companies that list on the growth segment. 37C. (1) Notwithstanding any other provision of this Act, the commissioner shall refrain from recovering penalties or interest from a company that lists on the growth segment of a securities exchange in Kenya, in respect of any	Growth Enterprise Market Segment - The amnesty was expected to encourage Small Medium Enterprises and venture companies with back taxes to list, by utilizing the tax amnesty provided. The Authority had recommended a waiver of all tax liabilities as incentive, but this was scaled down in the final decision with the waiver applying to tax penalties and interest, on any outstanding tax for two years prior to the listing.	2019/2020	Number of SMEs and venture firms listed on GEMS after tax amnesty.	All Small and Medium Enterprises (SMEs) and venture companies

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	year of income prior to the date of listing where the company makes full disclosure of its past income, assets and liabilities for the two years immediately preceding the date of listing: Provided that the principal tax shall be paid in full. (2) This section shall not apply in respect of any tax where the person who should have paid the tax — (a) has been assessed in respect of the tax or any matter relating to the tax; or (b) is under audit or investigation in respect of the undisclosed income or any matter relating to the undisclosed income. (3) Notwithstanding subsection (1), a company that delists from the exchange in which it is listed before the expiry of five years from the date of listing.				
12.	Amendment of Section 2 of the Capital Markets Act by deleting the words “and chief financial officers and Board of Directors of issuers of securities” appearing in paragraph (a) of the definition of “key personnel”.	Fit and Proper Requirements for CEOs, CFOs and Directors of Issuers - This proposal was to ensure that Chief Executive Officers, Chief Financial Officers and Board of Directors of issuers of securities are confirmed to be fit and proper persons. This would also provide a basis for an assessment of their integrity and past conduct.	2019/2020	Number of governance issues established from the market intermediaries which can be attributed to the CEOs, CFOs and Directors being unfit.	Issuers
13.	Amendment of Section 11 of the Capital Markets Act in subsection (3) (cc) by inserting the following proviso to subparagraph (i) of subparagraph (cc) — Provided that the	To enhance investor protection and confidence in the financial sector by granting the Authority powers to sanction the players in the market in case of violation of	2019/2020	Level of investor confidence since the amendment.	Existing and potential investors Capital Markets Licensees

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	financial penalties shall be recoverable summarily by the Authority as civil debts. Section 25A of the Capital Markets Act is amended by inserting the following new subsection immediately after subsection (1) — (1A) The financial penalties and recoveries set out under paragraphs (1) (a) (v) and (vii), (1) (b)(iii) and (iv), (1) (c) (ii) and (iii), (2) and (6) shall be recoverable summarily by the Authority as civil debts. 44. Section 34A of the Capital Markets Act is amended by inserting the following new subsection immediately after subsection (1) (1A) The financial penalties imposed under subsections (1) and (2) shall be recoverable summarily by the Authority as civil debts.	laid down rules and procedures.			
14.	Scrapping of the Robin Hood Tax	Excise Tax - This was expected to have resulted in asset shrinkage, shrinkage in private savings and a far less liquid capital market as it incentivizes investors to minimize trading activity. This would also put a number of fund managers businesses at risk given the erosion in returns.	2018/2019	Trading turnovers. Variation in trading volume since the scrap.	Licensed Fund Managers Potential and existing investors in Capital Markets
15.	Amendment of PoCAML Act by inserting a new section 45A and first schedule to add a paragraph i Reporting institutions are now required to carry out enhanced due diligence	Proceeds of Crime and Anti-Money Laundering Act - This policy pronouncement was to serve to ramp up Know Your Client (KYC) and client onboarding measures for online forex traders, online share trading and other	2018/2019	Number of reporting institution that have implemented the amendment Number of customers and transaction flagged as Money laundering since the amendment	All Reporting Institutions under CMA

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	on relationships or transactions originating from countries which are deemed to pose a higher threat of money laundering by the Financial Action Task Force or the Cabinet Secretary. Reporting institutions may also be required to apply countermeasures to mitigate risks to do with money laundering as follows: Limiting or terminating business relationships with concerned countries; Moving away from relying on due diligence carried out by 3rd parties in the concerned countries; and Submit a report listing customers originating from Countries deemed as higher risk	electronic commerce platforms in the capital markets. This is in a bid to enhance the fight against AML/CFT Creating market confidence and investor protection.			
16.	Amendment of sec 2 definition of “key personnel” to extend the fit and proper assessments to Chief Finance Officers and Directors of securities issuers. Amendment of Sec 13 B and insertion of section 13(b) to make direct reference to an offence/ misconduct relating to embezzlement of funds by directors and key officers of market intermediaries and listed companies. Amendment of the Capital Markets Act Sec 18 to expand the scope of ICF.	To strengthen investor protection by enhancing accountability of individuals responsible for preparing, reviewing, and approving financial statements, while empowering the Authority to take interim measures against misconduct such as embezzlement. To strengthen accountability and investor protection by explicitly criminalizing embezzlement of funds by directors and key officers of market intermediaries and listed companies, ensuring clear legal grounds for enforcement and sanctions. To provide broader coverage and safeguard investors against potential losses arising from market	2018/2019	Number. of enforcement actions against directors/officers since amendment Percentage of CEOs, CFOs & Directors confirmed fit & proper since amendment Number of Market intermediaries compliant with the amendment	CEOs, CFOs & Directors of issuers Market Intermediaries CMA

No.	POLICY INCENTIVE	TARGETED IMPACT/OBJECTIVE	YEAR	Key Performance Indicators (Measure)	Target Population
	<p>Inserts section 30GA in the Capital Markets Act to introduce a mandatory system of internal accounting controls for issuers, licensed, and approved persons to ensure financial statements comply with International Financial Reporting Standards (IFRS).</p> <p>Inserts section 32JA of the Capital Markets Act to a new prohibition against misuse of client order information (front-running).</p>	<p>intermediary failures or misconduct.</p> <p>To promote market integrity and investor protection</p> <p>To safeguard market integrity and protect investors</p> <p>.</p>			
17	<p>Amendments of the Capital Markets Act, the Cooperatives Societies Act and Sacco Societies Act to facilitate for shariah compliant finance products.</p> <p>Amendment of the Public Finance Management Act to provide for issuance of Sukuk bond (Islamic bond).</p> <p>Amendment of the tax statutes to provide for equivalent tax treatment of these new financial products with the conventional financial products. Regulations to facilitate development of Takaful Retirement Benefits Schemes in Kenya.</p>	<p>This was expected to provide a framework for introduction of Islamic products across the financial sector hence deepening the market by providing alternative investment opportunities for investors and also position To improve attractiveness of the Islamic products by providing for equivalent tax treatment of these new financial products with the conventional financial products.</p>	2017/2018	<p>Number of Shariah compliant products introduced since amendment</p> <p>Number and value of sukuk bonds since amendment</p> <p>Number of investors participating since amendment</p> <p>Number of Takaful retirement schemes registered under RBA.</p>	<p>Shariah compliant financial institutions and Market Intermediaries</p> <p>Conventional and Islamic Saccos and Cooperatives.</p> <p>Existing and potential Sukuk Issuers</p> <p>Existing and potential investors of Shariah compliant Products RBA</p>
18.	<p>Amendment of VAT Act to exempt from VAT the transactions related to transfer of assets into Real Estate Investment Trusts (REITs) and Asset Backed Securities (ABS) Anchored on paragraph</p>	<p>Tax neutrality for REITs and ABS - Increase and deepen the country's sources of infrastructure financing through support for effective uptake of infrastructure financing products as alternative measures for</p>	2017/2018	<p>Value of assets transferred into REITs/ABS since amendment</p> <p>Number of REITs / ABS authorized/listed since the amendment</p> <p>Percentage increase of investors participating in</p>	<p>Property developers Existing and potential REIT Managers / ABS issuers</p>

No.	POLICY INCENTIVE	TARGETED IMPACT/OBJECTIVE	YEAR	Key Performance Indicators (Measure)	Target Population
	13 of the Eight Schedule of the Income Tax Act.	raising funds for such projects.		Reits/ ABS since amendment.	Existing and Potential Investors
19.	Amendments to the Capital Markets Act, the Cooperatives Societies Act and Sacco Societies Act to facilitate for Shariah compliant finance products. Amended under the definitions of securities (h) securities and collective investment scheme products structured in conformity with Islamic principles for investments	This is expected to provide a framework for introduction of Islamic products across the financial sector hence deepening the market by providing alternative investment opportunities for investors and position Kenya as a regional hub for Islamic Finance and contribute to the Vision 2030 objective of making Nairobi an International Financial Centre.	2016/2017	Number of Shariah-compliant products introduced since amendment Value of shariah compliant products since amendment Number of cooperative and saccos offering shariah compliant products since amendment Number of investors participating since the amendment	CMA Cooperatives and Sacco Potential and existing investors
20.	Amendment of the Public Finance Management Act Sec 205 (3A) to provide for issuance of Sukuk bond (Islamic bond)	Amendment of PFM Act paves way for issuance of Sukuks as an alternative source of financing for government to finance development projects.	2016/17	Number of Sukuk Bonds Issued by government since 2016 to 2025. Sukuk turnover.	National Treasury and Economic Planning Potential Sukuk Issuers Existing and potential Sukuk investors
21.	Amend the tax statutes to provide equivalent tax treatment of new financial products with the conventional financial products.	The amendment of tax statutes on the other hand was expected to improve attractiveness of the Islamic products by providing for equivalent tax treatment of these new financial products with the conventional financial products	2016/17	Number of Sukuk Bonds Issued by government since 2016	Potential Sukuk Issuers Existing and potential Sukuk investors
22.	The cap of 75% for the foreign investor shareholding of domestic listed companies removed. Foreigners can own shares in Kenyan listed companies up to a maximum of 100%, subject to a prescription by the Cabinet Secretary for the National Treasury who may by notice in the Kenya gazette prescribe a maximum foreign	To attract foreign investors into the country and raise the profile of Nairobi as an international financial center.	2015/16	Percentage change in foreign investor participation in the equity market from 2015. Net foreign portfolio inflows. Number of listed firms where foreign investors have more than 75% ownership.	NSE Foreign Investors CDSC Stockbrokers/investment banks

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	shareholding in an issuer or a listed company.				
23.	Capital Gains Tax (CGT) of 5% that was introduced in 2014 scrapped. Instead, a transaction levy of 0.3% of all sale transactions introduced.	To ensure relatively low transaction cost while raising revenue for government.	2015/16	Percentage change in the volume and the value of securities traded in 2014 post 2015	NSE Institutional and retail Investors stockbrokers/dealers & investment banks
24.	Amend the RBA Ac to allow retirement schemes to invest up to 10 percent of their assets in private equity funds and venture capital funds licensed by the Capital Markets Authority.	To support the growth of private equity and venture capital enterprise and help pension schemes to diversify their investment opportunities.	2015/16	Percentage of retirement scheme assets allocated to private equity and venture capital funds licensed by CMA since 2015. Number of retirement schemes that have invested in private equity funds and venture capital funds from 2015.	RBA Retirement schemes
25.	Amend the Income Tax Act to provide that companies listing by introduction be charged corporate tax rate at 25% instead of 30%.	To attract more listings on the Nairobi Securities Exchange.	2015/16	Number of companies that have listed by way of introduction from 2015	NSE Listed companies through introduction. Potential companies
26.	Amend the Income Tax Act to provide that no stamp duty shall be chargeable on the transfer of real estate in respect of a Real Estate Investment Trust (REIT) under the Capital Markets Act whose effect is to convey or transfer: - beneficial interest in property from one trustee to another trustee or to an additional trustee; or beneficial interest in property from a person or persons for the transfer of units in the real estate investment trust.	To generate the interest of potential REITs issuers (income and/or development) in the REITs business.	2015/16	Number of new REITs established and listed following the stamp duty exemption from 2015	Potential REIT Promoters. REIT Managers and Trustees Transaction advisers. REITs investors
27.	Documents executed in connection with asset-backed securities approved by the Capital Markets Authority in	To support diversification of products and services available in the Kenyan capital markets by facilitating ABS transactions.	2015/16	The number of ABS transactions approved by CMA from 2015	Potential and existing ABS issuers Investors

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	respect of securitization transactions or any document to give effect to or for an on-going transaction shall be exempt from payment of stamp duty under the Stamp Duty Act.				
28.	Amendment to The Capital Markets (Demutualization of the Nairobi Securities Exchange Limited) Regulations to set the minimum number of shares to be allotted to and held directly or indirectly in public interest by the Government and Capital Markets Investor Compensation Fund at 5%.	Significantly address governance challenges and enhance the NSE business model.	2014/15	Improvement in governance and transparency ratings of the NSE from 2014	NSE Investors KASIB Members
29.	Amend the law to provide a conducive environment for dynamic capital markets (principle-based regulation).	Facilitate introduction of new capital markets products and services on an accelerated basis	2013/14	Number of new capital markets products and services that have been introduced to the market from 2013	NSE Potential issuers Potential and current licensees
30.	Regional Issuance of Fixed Income securities	Allow the raising of funds from across the regional capital markets and treating persons licensed by any of the other EAC capital markets regulators on equal terms, as if they were licensed by the Authority.	2013/14	Value of funds raised through regional issuances as a percentage of total fixed income issuance in Kenya	Regional Issuers Potential Regional Issuers
31.	Amend the Capital Markets Act to redefine the offence of insider trading as an offence of strict liability and propose specifically identifying a range of the most common market manipulation offences to guide the courts and investing public on the nature of these offences.	Safeguard the integrity of the capital market by discouraging insider trading and market manipulation	2013/14	Level of compliance to the Capital Markets Act insider trading requirements.	Issuers

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32.	Amend the Capital Markets Act Cap 485A to vest the power to make regulations, rules, and guidelines in the Minister instead of the Authority	This was to align the Capital Markets Act and the legislation process within the securities industry with the rest of public institutions.	2012/13	Average time taken to develop and gazette capital markets regulations before and after powers were vested in the Minister.	Investors Licensees Issuers CMA
33.	Amend the law to create a framework for Growth Enterprise Market Segment within the NSE targeting small and medium enterprises (SMEs)	Provide SMEs with the opportunity to access long-term and relatively cheap capital through public listing as well as raising their profiles through trading on approved securities exchanges.	2012/2013	Number of SMEs that have been listed on NSE from 2012	NSE Existing and potential SMEs issuers.
34.	Income Tax Act amended to exempt REITs from corporation tax in addition to exempting investors who receive dividends from REITs from withholding tax.	Enhance tax neutrality	2011/2012	The number of REITs Authorized and listed on the Nairobi Securities Exchange from 2011 REITs turnover	Existing and potential REITs Issuers Investors
35.	Capital Markets Act to be amended to facilitate the trading of listed fixed income securities Over the Counter (OTC) subject to compliance with reporting requirements.	Aid in the establishment of a hybrid bond market and facilitate issuance of bonds by SMEs and increase bond activity at primary and secondary market.	2011/12	Change in Bond turnover	NSE KASIB BANKS
36.	Capital Markets Act to be amended to allow for the introduction of a regulated Futures Market	To establish a derivative market in Kenya	2011/12	Cumulative number of futures contracts traded and cleared through NSE Clear since the launch of the derivatives exchange. Track annual growth in futures trading volume as a percentage of market capitalization traded through NSE Clear.	NSE Clear KASIB Derivatives brokers
37.	Capital Markets Act to be amended to recognize Real Estate Investment Trusts and to facilitate the regulation of pooled products for investment in real property.	Expand the range of capital markets products and services by introducing REITs in Kenya.	2011/12	Number of Real Estate Investment Trusts (REITs) authorized and listed in the market from 2011	Existing and potential REITs Investors and issuers
38.	Self-Regulatory Organizations to be recognized and the Authority empowered to specifically delegate its	To delegate regulatory functions to SROs while ensuring that they have in place proper policies, infrastructure, financial	2011/12	Number of Self-Regulatory Organizations (SROs) formally recognized and delegated regulatory functions by the Authority.	CDSC NSE KASIB

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	powers to an SRO subject to the oversight of the Capital Markets Authority.	soundness and effective corporate governance.		Percentage of recognized SROs compliant with CMA's oversight requirements on policies, infrastructure, financial soundness, and corporate governance.	FMA Bond Market Association REITs Association of Kenya
39.	Central Depositories Act to be amended to introduce a robust system to reduce the risk and damage associated with settlement default on securities transactions in addition to providing for insolvency set off in respect of the obligations between settlement participants.	Align Kenyan clearing and settlement process with international best practice and significantly reduce the risks associated with large scale investment in listed securities by both local and foreign investors.	2011/12	Increase in the integrity of the market infrastructure.	CDSC NSE KASIB CBK
40.	Amendment of the CDS Act- the Authority's powers of supervision, investigation and intervention in respect of central depositories has been strengthened in the interest of securing fair efficient and transparent securities settlement.	Strengthening supervision of the central depository which will significantly reduce systemic risk.	2011/12	Number of supervisory/enforcement actions implemented by CDSC in compliance with CMA directives.	CDSC NSE CBK
41.	Section 2 of CM Act amended to redefine 'securities' to better cater for derivatives transactions as well as amending the definition of "key personnel" to ensure the Authority may assess the fitness of key members of management	Enhance trade reporting and information dissemination in securities exchanges as well as ensuring that only properly qualified and vetted persons are entitled to manage licensed entities.	2011/12	Cumulative number of futures contracts traded and cleared through NSE Clear since the launch of the derivatives exchange. Derivatives turnover	NSE Derivatives brokers
42.	Sec 11 of CM Act amended to expand the principle objectives of the Authority to recognize the need to improve access to securities markets beyond traditional stocks.	To ensure investors are provided with an opportunity to access a broad spectrum of securities products	2011/12	Percentage growth in the number of investors across all securities from 2011	NSE Issuers Existing and potential Investors

No.	POLICY INCENTIVE	TARGETED IMPACT/OBJECTIVE	YEAR	Key Performance Indicators (Measure)	Target Population
43.	Amendment of Capital Markets Act that will facilitate the Demutualization of the NSE and its consequent self-listing.	Improve corporate governance of the NSE	2010/11	Improvement in corporate governance rating/score of the NSE following demutualization	NSE KASIB
44.	CMA Act to be amended to allow them to share information obtained during surveillance with other financial sector regulators.	Encourage information sharing among financial sector regulators	2010/11	Frequency of information exchange instances between CMA and other regulators	CMA Financial Sector Regulators