

PUBLIC NOTICE

THE CAPITAL MARKETS ACT (CAP 485A)

ESTABLISHMENT OF A RECOVERY BOARD AT THE NAIROBI SECURITIES EXCHANGE

The Capital Markets Authority (the Authority) is mandated under the Capital Markets Act to create, maintain and regulate a market in which securities can be issued and traded in an orderly, fair and efficient manner thereby enhancing investor protection.

Pursuant to this mandate, the Nairobi Securities Exchange (the Exchange) and the Authority aim to ensure that companies listed on the Nairobi Securities Exchange are compliant with all the listing requirements and obligations and that investors are well apprised of the status of investments they are participating in, to enable them make informed decisions pertaining to those investments.

In order to enhance investor protection, the Exchange and Authority are jointly proposing the establishment of a Recovery Board at the Exchange on which securities of an issuer who is technically insolvent, non-compliant with any other listing obligation or whose operations are being conducted in a manner that is prejudicial to the interest of investors or market integrity can be temporarily listed. This will allow companies to develop and implement recovery plans and/or to ensure full compliance with the requisite listing obligations and/or such other conditions as may be imposed by the Authority, while ensuring transparency to the investing public on the status of the entity.

Further to the proposal, the Exchange has proposed amendments to the Equities Listing and Trading Rules to facilitate implementation of the same. In accordance with section 12A of the Capital Markets Act, the Authority and the Exchange wish to invite stakeholders and the public to submit comments on the proposed amendments to the NSE Listing and Trading Rules, available on www.nse.co.ke.

Kindly submit your comments by **10 October 2019** to comments@cma.or.ke and info@nse.co.ke.