

Press Release

Capital markets industry donates Ksh30 million in support of national efforts to address the adverse effects of the Coronavirus pandemic

Nairobi 11 May 2020...In line with the commitment to support national efforts to address the adverse effects of the Coronavirus pandemic, the capital markets industry stakeholders led by the Capital Markets Authority (CMA) have donated Ksh30 million to the Covid-19 Emergency Response Fund. The funds were presented to the Board Chairperson, Mrs Jane Karuku, by industry stakeholders led by the CMA Board Chairman, Mr. James Ndegwa.

The contributions were made through the Capital Markets Covid-19 Fund. Contributions were received from; CMA (Ksh20 million); CMA Board and staff who have committed to a voluntary contribution of Ksh781,706 and so far remitted Ksh268,300; Nairobi Securities Exchange (Ksh2 million); Central Depository and Settlement Corporation (Ksh1 million); ICEA Lion Asset Management Ltd (Ksh1 million); SBG Securities (Ksh1 million); CIC Asset Management (Ksh1 million); Old Mutual Investment Group (Ksh1 million); Standard Investment Bank (Ksh500,000); Pepperstone Markets Kenya Ltd;(Ksh500,000); GenAfrica Asset Managers (Ksh500,000); Renaissance Capital (Ksh250,000); Dry Associates Investment Bank (Ksh200,000); AIB Capital/Apex Africa Capital (Ksh150,000); Faida Investment Bank (Ksh150,000); Augusto & Co (Ksh100,000); Madison Investment Managers Limited (Ksh100,000); Sterling Capital Ltd (Ksh100,000); Kestrel Capital (East Africa) Ltd (Ksh100,000); Old Mutual Securities (Ksh100,000) and Zimele Asset Management Company (Ksh50,000). The Sanlam Group of companies (including Sanlam Kenya Plc and Sanlam Investments East Africa Ltd) and EGM Securities remitted Ksh8 million and Ksh1 million respectively, directly to the Covid-19 Emergency Response Fund. The Fund remains open to receive more contributions with some of the industry players in the process of transferring their contributions.

The contribution comes on the back of a raft of measures unveiled last month to ensure business continuity in the capital markets industry in the wake of the Coronavirus pandemic. Other Industry players have collaborated to mitigate disruption in capital market by ensuring that the trading and settlement systems continue functioning to support all transactions. The key stakeholders include; Nairobi Securities Exchange (NSE), Central Depository and Settlement Corporation (CDSC), Fund Managers Association (FMA), Kenya Association of Stockbrokers and Investment Banks (KASIB), and the Capital Markets Authority (CMA).



In meeting this objective, the focus has been on the operational resilience of market infrastructure, the operational capability of market intermediaries and the continued flow of information to the market.

CMA has also provided the appropriate regulatory flexibility to help listed companies and market intermediaries address the challenges posed and the need for social distancing occasioned by Covid-19 while ensuring that market integrity and investor protection principles are maintained.

Key outcomes of the engagements include; issuing guidance to postpone Annual General Meetings (AGMs) in response to the Government's ban on all public gatherings; waiver of the need for listed companies and market intermediaries to publish their financials in newspapers and flexibility to use websites and social media channels instead; and guidance to the Boards of listed companies to progress key issues such as approval and payment of dividends and appointment of auditors which would be ratified once AGMs are convened.

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BACKGROUND INFORMATION ON THE CAPITAL MARKETS AUTHORITY

The Capital Markets Authority (CMA) was set up in 1989 as a statutory agency under the Capital Markets Act Cap 485A. It is charged with the prime responsibility of both regulating and developing an orderly, fair and efficient capital markets in Kenya with the view to promoting market integrity and investor confidence.

The regulatory functions of the Authority as provided by the Act and the regulations include; Licensing and supervising all the capital market intermediaries; Ensuring compliance with the legal and regulatory framework by all market participants; Regulating public offers of securities, such as equities and bonds & the issuance of other capital market products such as collective investment schemes; Promoting market development through research on new products and services; Reviewing the legal framework to respond to market dynamics; Promoting investor education and public awareness; and Protecting investors' interest. For more information, please contact Antony Mwangi, Head of Corporate Communications on amwangi@cma.or.ke





BACKGROUND INFORMATION ON THE NAIROBI SECURITIES EXCHANGE

The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the Association of Futures Markets and the World Federation of Exchanges, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative. For more format please contact, Waithera Mwai – Ireri, Senior Manager, Corporate Affairs on: wmwai@nse.co.ke

BACKGROUND INFORMATION ON THE CENTRAL DEPOSITORY AND SETTLEMENT CORPORATION

The Central Depository & Settlement Corporation Limited (CDSC) is a limited liability Company approved by the Capital Markets Authority to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at Nairobi Securities Exchange as well as holding of listed and non-listed securities including other documents of title on behalf of investors. For more information, please contact Ms. Irene Mutiso, Head of Corporate Affairs and HR on imutiso@cdskenya.com.

BACKGROUND INFORMATION ON THE KENYA ASSOCIATION OF STOCKBROKERS AND INVESTMENT BANKS (KASIB)

The Kenya Association of Stockbrokers and Investment Banks is the umbrella body for Stockbrokers and Investment Banks, that are licensed to trade at the Nairobi Securities Exchange. Its purpose is advocacy, lobbying and any activities that create an enabling working environment for the Members. For more information contact Mr. Willie Njoroge, Chief Executive on willienjoroge@gmail.com.

BACKGROUND INFORMATION ON THE FUND MANAGERS ASSOCIATION

The Fund Managers Association (the FMA or the Association) is a Kenyan trade association established in 2008 to promote responsible and sustainable asset management. Membership in the Association is open to Capital Markets Authority (CMA) licensed organizations who manage funds on behalf of their clientele. FMA members manage among others, funds from retirement benefit schemes as well as from institutional and individual investors. Association members invest in a wide variety of asset classes which include government securities, real estate and publicly listed and unlisted securities; which contribute to the growth, development and sustainability of Kenya's capital market and economy. For more information please contact Ms. Pauline Ndirangu – secretariat on pauline@b-moreconsult.com.

