



## **CERTIFICATION FREQUENTLY ASKED QUESTIONS**

### **1. What is the objective of introducing certification in Kenya?**

The introduction of a certification programme in Kenya will ensure that practitioners in the capital markets industry have the requisite skills, operate with high standards and apply best practice as Kenya takes its position as an International Financial Centre and as the heart of African capital markets with a view to becoming more competitive and to attract international funds flows, key staff in capital market intermediaries need to adopt international certification standards to support the introduction of more diversified products in the market as well as to ensure that engagement with investors is consistent and to the highest possible ethical and transparency standards.

The introduction of certification standards, aimed at creating a highly skilled talent pool, is aligned to the Capital Market Master Plan, the ten-year blue print for the Kenyan capital markets industry, and the ambition of the country to become a regional and International Financial Centre.

### **2. What is the relationship between CMA and the Chartered Institute for Securities and Investments?**

As part of our drive to enhance the positioning of Kenya as a premier investment destination, the Authority signed a memorandum of understanding (MOU) in 2014 with the Lord Mayor of the City of London, on behalf of the Chartered Institute for Securities & Investment (CISI) for the introduction of international certification standards in the capital markets industry. This relationship is not intended to be exclusive, but noting the excellent repute of the City of London as the pre-eminent global financial centre, it was supported by the Government of Kenya as an important step in connection with the Vision 2030 objective of Nairobi emerging as a competitive

international financial centre. In accordance with the 10 year Capital Markets Master Plan available at [www.cma.or.ke](http://www.cma.or.ke).

### **3. Why did the Authority specifically select CISI?**

The CISI is the professional body of choice for professionals in the securities and investment industry in the UK and in a growing number of major financial centres globally. Formed in 1992 by London Stock Exchange practitioners, they have a global community of more than 40,000 members in 121 countries and last year more than 41,000 CISI exams were sat in 73 countries. CISI also offers certification exams to market practitioners in other jurisdictions such as Qatar, India and Dubai, Egypt, the Philippines and Saudi Arabia. The initiative with CISI I also in the process of being expanded regionally with similar partnerships in Tanzania, Uganda and Rwanda.

### **4. What exactly will be CISI's role in certification?**

The role of CISI will be to administer the online certification testing for Kenyan market Practitioners as well as develop further content in collaboration with the Capital Markets Authority with regard to the domestic framework, specific tests as well as global standard specialization tests. The CISI will also work with the CMA to identify appropriate local training institutions to deliver the CISI approved syllabus.

### **5. Was the market notified?**

In October 2012, the Capital Markets (Corporate Governance) (Market Intermediaries) regulations 2011 came into force and provided for the Authority to prescribe certification standards for market intermediaries. In connection with the partnership with CISI, the Authority organized industry engagement and sensitization sessions on the proposed approach and curriculum in 2015, which received strong support.

Following the stakeholder engagement, the Authority issued a circular to all market licensees on Monday November 9<sup>th</sup>, 2015 informing them of the market certification and competency standards to be adopted pursuant to Regulation (19)3 of the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011. A copy of the Circular is also posted on our website at [www.cma.or.ke](http://www.cma.or.ke).

## **6. How will certification be implemented in Kenya?**

CISI in collaboration with the Authority have developed the curriculum for stage One which covers the CISI global entry exam “International Introduction of Securities and Investment” with some specific inclusion on the Kenyan capital markets. Stage Two, which will cover local conduct of business standards and market regulations is under development. More information will be provided regarding the development of the subsequent stages.

The Authority is also considering submissions from other certification providers to determine their eligibility for approval as certification bodies and standards in parallel to CISI.

## **7. Must market practitioners take certification exams immediately?**

The transition period for compliance with this requirement is a period of one (1) year from January 4<sup>th</sup>, 2016.

## **8. The circular mentions that all employees who have direct dealings with clients and trading activities on behalf of clients and with less than ten (10) years’ experience in the capital markets industry must take the exam. Please clarify which employees that have direct dealings with clients should sit for the exam ?**

Employees or practitioners who are involved in the trading activities or hold themselves out or who are held out by their employers as capable of providing advice or recommendations to clients must sit for the exam. Employees and practitioners who deal directly with clients on a purely administrative or clerical basis and who do not provide any advice or investment recommendations to clients are not required to sit for the exam.

## **9. Can I get an exemption from sitting the exam if I have an equivalent qualification?**

Yes, the Authority is actively engaging with providers of equivalent qualifications who submit their relevant curricula and examination standards for review and consideration for recognition as an equivalent certification standard.

#### **10. Must I receive training for exam?**

Although advisable, it is not mandatory to go through an approved training program, subject to the practitioners comfort level with the subject matter.

#### **11. Who will be offering training?**

A pilot training program for potential trainers was conducted by a consultant from CISI on Thursday November 26<sup>th</sup> and Friday November 27<sup>th</sup>, 2015 at the Authority offices. The Authority will communicate the approved trainers once finalized and approved by CISI. The industry-wide launch of the certification program is expected in January 2016.

#### **12. What will be the cost for the training?**

The cost will vary depending on the institution offering the training. The Authority will include the costs on the website once finalized.

#### **13. What will be the cost of sitting for the exams?**

There is a £25 registration and student membership fee with respect to the IISI course costs. The Kenyan market has received a 50% discount in the year 2016 as follows:

- £80 (will be £81 from 1 April 2016) – this is for the first sitting of the exam and includes the workbook and the e learning and practise questions.
- £55 (will be £56 from 1 April 2016– resit fee for the exam.

#### **14. What will be the delivery mode of the exam?**

The exam will be computer Based where candidates receive the results immediately after the exam.

#### **15. What happens if I fail the exam?**

Candidates who fail an exam may resit the session again at the next available schedule (TBD), the cost will be £56 in 2016.

**16. Where will the actual exams take place?**

The Authority is currently working on the modalities of the exam delivery and will communicate once completed.

**17. Are there any planned sensitization forums on Certification?**

Yes, the Authority will host a forum for intermediaries on Certification and will communicate the details for the same in good time.

**18. What materials are available?**

The Authority will avail the Introduction to International Securities and Investments (IISI) Kenya workbook, the Circular, the list of approved trainers and the cost on the website.