

CAPITAL MARKETS AUTHORITY

INTEGRATED REPORTING WORKSHOP

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Contents

- 1. Background of CMA
- 2. Provisions of the CMMP on financial reporting
- 3. Provisions of the Capital Markets Regulations on IFRS
- 4. Regional Collaboration
- 5. Collaboration with ICPAK, preparers and other parties

Background of CMA

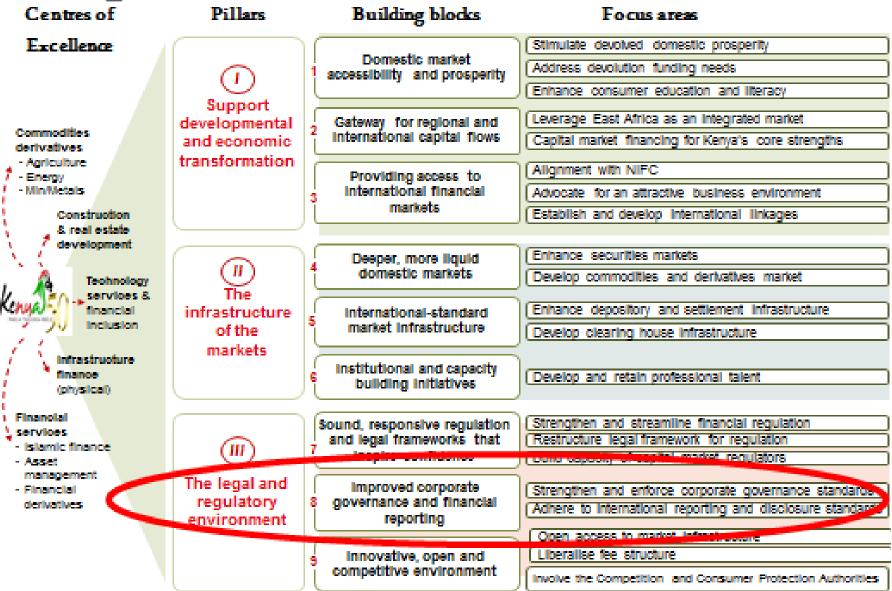
- CMA is a statutory institution established in 1989 via an Act of Parliament
- Reports to The National Treasury

- Prime responsibility regulating and facilitating the development of orderly, fair and efficient capital markets in Kenya.
- Vision A proactive regulator of a competitive and robust capital market
- Mission To promote the development of Kenya's capital market to be an investment destination of choice through facilitative regulation and innovation.

The Capital Markets Master Plan

- It's a comprehensive plan that charts the development of the Capital markets in the next ten years
- It's a crucial guide to realize our vision to become "The Heart of African Capital Markets"
- Its one of the flagship projects for the Financial Services Sector under MTP II of Vision 2030
- It was developed and now being implemented through wide stakeholder involvement

Snapshot of the CMMP



CMMP–Cont'

- Financial Reporting is anchored under the pillar on Legal and Regulatory Environment
- The pillar envisages measures and actions that will improve corporate governance and financial reporting.
- A sound financial market is critically dependent on sound corporate governance and reliable and transparent financial reporting.
- Without this, a market is unlikely to develop or attract foreign interest.

CMMP Cont'

- Issuance of misleading financial reports can cause enduring reputational damage to any capital market, which can be a challenge to reverse.
- There needs to be confidence that financial reports reflect the true and fair view of a company's affairs in line with IFRS

Provisions in the Regulations

- Public Offers Regulations all companies intending to issue securities in Kenya must have prepared their Financial statements in line with IFRS
- Same for issuance of debt securities

- Any deviations with IFRS should be disclosed in the IM's
- Continuous reporting- Financial statements MUST comply with IFRS

Provisions in the Regulations

- This includes any interim accounts produced by the companies
- CFO's must be members of ICPAK

 Board Audit Committee members to have some accounting background

Regional Collaboration

- EASRA Initiatives
- Harmonization of Supervisory frameworks
- All EAC countries apply IFRS



Discussions on regional awards on good financial reporting

Collaborations

- > A coordinated effort by all players is key
- CMA works with ICPAK to ensure sound financial reporting in the Capital markets – embedded in the CMMP
- CMA relies a lot on Auditors who are members of ICPAK

CFO's need to be members of ICPAK- rely on ICPAK

Collaborations

- Joint workshops for our market intermediaries
- Sponsoring the Fire Award

- Policy formulation and stakeholder engagements
- Fit and proper reference Checks
- Other regulators in Kenya and Globally



THANK YOU!