



Strategic Plan

2018 - 2023

Vision

To be an innovative regulator of a robust and globally competitive capital market.

Mission

To make Kenya's capital market the premier choice for investors and issuers through robust regulation, supporting innovation and enhanced investor protection.

Core Values

To fulfill its mandate and accomplish the above vision and mission, the Authority will be guided by its core values of:

- i) Integrity;
- ii) Commitment;
- iii) Responsiveness;
- iv) innovation and continuous learning; and
- v) Collaboration and teamwork.

CONTENTS

Foreword from the Chairman.....	2
Preface	5
Strategic Outcome 2018 - 2023.....	7
1. Strategic Direction.....	9
1.1. Vision	9
1.2. Mission.....	9
1.3. Core Values	9
1.4. Strategic Plan Context.....	9
1.5. Strategic Plan 2018-2023 Mind Map.....	12
1.6. Strategic Plan Alignment to the Big 4 Agenda	12
1.7. Stakeholder Mapping	14
2. Strategic Plan Implementation	16
3. Managing the Risks to Strategic Plan Implementation	18

FOREWORD FROM THE CHAIRMAN



The Capital Markets Authority's 2018-2023 Strategic Plan outlines the Authority's blueprint for the five-year period commencing July 2018 and comes at a critical time when the domestic financial market is primed to rebound and to experience greater activity and performance. The development of the new Plan was substantially informed by extensive consultations both internally and externally - locally and internationally, with the Authority's Board playing a key role in offering guidance towards the crystallisation of our Vision **"To be an innovative regulator of a robust and globally competitive capital market."**

The Plan envisages the positioning of Kenya's domestic capital markets as the premier choice for investors and issuers through robust regulation, supportive innovation and enhanced investor protection. This international high standard will be achieved through the adoption of dynamic and evolving capital markets regulation, proactive development

practices and outcome-based actions designed to ensure that the Kenyan market will be positioned to compete with the best globally.

With the rapidly rising growth and impact of disruptive technology within the global financial markets space, the Plan aims to leverage global best practices in aligning its internal infrastructure to support market efficiency, while concurrently facilitating the deployment of Financial Technology (FinTech) by the industry. The Plan envisions significant further investments by the Authority in its technology infrastructure and market supervision techniques to complement the very significant innovation already taking root within the capital markets.

In line with the globally competitive key outcome areas in this Plan, the following are the Authority's 2018-2023 strategic objectives:

- Ensure a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency;
- Facilitate the development, diversification, and uptake of capital market products and services;
- Ensure sound market infrastructure, institutions, and operations;
- Leveraging technology to drive efficiency in the capital markets value chain;
- Ensure optimal efficiency and effectiveness of the CMA; and
- Enhancing strategic influence

Kenya's Vision 2030 which identifies the capital markets as central to mobilizing savings and enhancing investments to support economic development has been an essential guide and reference towards the development of this strategy. The ten-year Capital Market Master Plan, a flagship project within Vision 2030 Medium Term Plan II and now III, continues to be a significant pillar guiding the transformational direction of the Kenyan capital markets industry towards ensuring that Kenya becomes "The heart of Africa's capital markets", and this Strategic Plan underpins the Authority's role in the implementation of the Master Plan. The Government's Big 4 Agenda targeting affordable housing, universal healthcare, manufacturing and food security will guide priority objectives within this Plan towards the accomplishment of among others; the Commodities Exchange, the growth of the Real Estate Investment Trusts (REITs) segment, the Fintech space and Green financing. The Plan has carefully considered the outcomes anticipated in this Agenda alongside other national and global sustainable development goals and identified those areas where the Authority may have the greatest impact within its mandate.

The recent establishment of the Nairobi International Financial Centre Authority (NIFCA), to provide a coordinated framework for a financial centre that complements the existing domestic financial system in attracting global financial services institutions, further expands the critical pool of stakeholders the Authority will work with to deliver on the Nation's ambitions. Conscious of the shifting perspectives of global investors, the Plan re-emphasises potential opportunities from mainstreaming Environmental, Social and Governance (ESG) transparency.

The Authority remains highly conscious of the importance of devolution as provided for in Kenya's Constitution and the Plan has identified policy and regulatory interventions as well as precursors necessary to support County financing through capital markets. This further expands the stakeholders mapped and targeted for engagement to ensure credible and sustainable outcomes to support devolved wealth creation.

I must note that achievement of the Plan's objectives will require concerted engagement with and influence of relevant stakeholders to create an improved capital markets experience for investors and issuers and to promote sound market conduct with an emphasis on Treating Customers Fairly.

I am confident that through the commitment of the CMA Board and Management, the Authority will continue to rise to the challenge in playing its fundamental role in spearheading the transformation of Nairobi into a competitive International Financial Centre.

I commend this Strategic Plan to all the Authority's stakeholders and commit the CMA to the required close collaboration with all parties that is essential to its success.



James Ndegwa
Chairman

PREFACE



This Strategic Plan 2018-2023 is the culmination of extensive analysis of the achievements, learnings and challenges from our previous Strategic Plan 2013-2017 as well as an internalization of the expectations from the capital markets and the Authority in the Vision 2030, the Big 4 Agenda of the Jubilee Government, the 10 year Capital Markets Master Plan and the Sustainable Development Goals. Through the guidance of the Board, the Plan has prioritized the Authority's alignment with institutional, industry and national aspirations.

Kenya's Vision 2030 MTP III 2018-2023 recognizes the role of the capital markets as a core driver of the Financial Services Sector with a vision to: Create a vibrant and globally competitive financial sector that will promote a high level of savings to finance Kenya's overall investment needs.

In order to live up to this sector vision and the Master Plan's vision of Making Kenya the heart of capital markets financing in Africa, the Plan design process set us on a course of comprehensively analysing and reviewing trends and projections in the domestic, regional and international capital markets and the wider financial sector. The product of this assessment, which theme cuts across all the strategic objectives identified, is the prioritisation of growing our stature to proactively engage and influence stakeholders

and domestic, regional and international policy and standard setters to ensure delivery of the ambitious outcomes targeted in the Plan.

As an institution, we have reiterated our commitment to an evidence-based and policy-driven approach to execution of our regulatory and development mandates. Through this approach, we are confident we will strengthen our credibility in the global capital markets space as a leading voice on policy and regulatory concerns that affect developing economies with evolving frontier and emerging capital markets.

In empowering ourselves and our industry to harness the opportunities and manage the risks from technology, we will continue to refine our supervisory model to align regulatory requirements with market needs cutting across product/services design, infrastructure and supervision. The imminent launch of our regulatory sandbox is expected to serve as an important catalyst for promising innovations to operate in a transparent and accountable environment.

The Authority is cognizant of the African Union (AU) Agenda 2063 that envisions the development of African capital markets to strengthen domestic resource mobilisation and to double market based financings' contribution to bridge the development financing gap. We intend to build on Kenya's location and capacity advantage in respect to the East African and Middle African region with regard to a predictable and stable macro-economic environment, favourable political environment and market leading technology innovation to support Kenya's emergence as a competitive International Financial Centre.

The Authority will deploy its resources to ensure that the performance targets set out herein will be met through realigning our organizational structure, ensuring effective communication between key stakeholders as well as continuously improving monitoring and evaluation mechanisms to support successful execution of this Plan. To this end, Uwezo Kipeo, the CMA's organizational change program, and our overall regulatory excellence model will remain core drivers to enhance the Authority's effectiveness and impact.

I want to extend my sincere gratitude to the CMA Board for their strategic guidance and support; our internal and external stakeholders who have contributed immensely to the development of this Strategic Plan; the outstanding team from Genesis Analytics and Bourse Consult who worked with us to spearheaded its development; and the CMA staff whose dedication and talents will ensure its realisation.



Paul M. Muthaura, MBS
Chief Executive

Strategic Outcomes 2018-2023



Strategic Outcomes 2018-2023



1. STRATEGIC DIRECTION

To achieve its mandate, the Authority has developed a new Strategic Plan running from July 2018 to June 2023 to guide it over the next five years. This Strategic Plan serves as a blueprint for the Authority to steer the development of Kenya's capital markets to support national development objectives and the achievement of Morgan Stanley Capital International (MSCI) Emerging Market status.

This strategy has been developed in line with the CMA's Vision, Mission, extensive internal and external stakeholder consultations, PESTEL & SWOT analysis, an international benchmarking exercise, a review of broader Government priorities and enterprise risk assessment. This plan identifies six strategic objectives for the Authority over the Plan period.

1.1. Vision

To be an innovative regulator of a robust and globally competitive capital market.

1.2. Mission

To make Kenya's capital market the premier choice for investors and issuers through robust regulation, supporting innovation and enhanced investor protection.

1.3. Core values

To fulfill its mandate and accomplish the above Vision and Mission, the Authority will be guided by its core values of:

- i) Integrity -We are committed to acting at all times with honesty, fairness, accountability, transparency, ethically and above board in all our operations;
- ii) Commitment - We shall perform our duties with the highest level of professionalism and dedication with a view to exceeding the expectations of our clients and stakeholders;
- iii) Responsiveness - We are sensitive to and will deal with issues and situations affecting all our stakeholders in a proactive and timely manner, using flexible decision-making processes;
- iv) Innovation and Continuous learning - We are committed to facilitating continuous learning and innovation; and
- v) Collaboration and Teamwork - We are committed to teamwork within the Authority and collaboration with our partners in the provisions of our services.

1.4. Strategic Plan Context

The Capital Markets Authority (CMA) is a statutory institution established in 1989 through an Act of Parliament with the dual mandate of regulating and facilitating the development of orderly, fair and efficient capital markets and to regulate spot commodities markets in Kenya. The principle objectives of the Authority are;

- i. Licensing and supervising all the capital market intermediaries;
- ii. Ensuring proper conduct of all licensed persons and market institutions;
- iii. Regulating the issuance of capital market products,
- iv. Promoting market development through the creation of a conducive environment for product innovation, supporting institutional capacity development and stimulating robust market infrastructure;

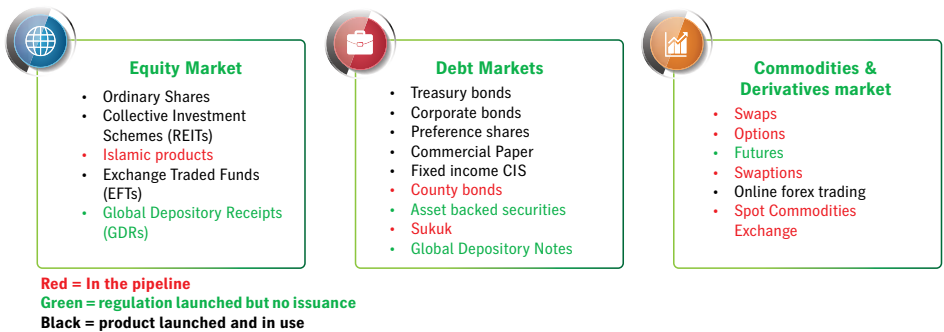
- v. Promoting investor education and public awareness;
- vi. Protecting investors' interest; and
- vii. Developing a framework to facilitate the use of e-commerce.

The organization is governed by a non-executive Board of Directors which is its highest decision-making organ. The Board is responsible for the overall policy direction and strategic leadership of the Authority as well as protecting the interests of the Authority's employees, ensuring effective coordination with Government policy, promoting responsive engagement with existing and potential investors, issuers of securities and market intermediaries.

The composition of the Board of the Authority as stipulated in the Capital Markets Act under Section 5(3) is as follows:

- i) A Chairman appointed by the President on the recommendation of the Cabinet Secretary to the National Treasury;
- ii) Six other members appointed by the Cabinet Secretary to the National Treasury;
- iii) The Principal Secretary to the National Treasury or a person deputized by that office;
- iv) The Governor of the Central Bank of Kenya or a person deputized by that office;
- v) The Attorney General or a person deputized by that office; and
- vi) The Chief Executive appointed by the Cabinet Secretary for the National Treasury on the recommendation of the Board

The Capital Markets Authority as one of the key financial sector regulators in Kenya plays an important role in promoting economic growth and development by creating a facilitative environment for firms' access to finance. The capital markets in Kenya offer products cutting across equity, debt and commodities and derivatives markets as depicted below as at June 2018;



Access to capital markets is through institutions licensed by the Authority, that is, the Nairobi Securities Exchange (NSE), the Central Depository and Settlement Corporation (CDSC), credit rating agencies, investment banks, stockbrokers, investment advisers, fund managers, custodians, collective investment schemes, authorized securities dealers, real estate investment trusts, and registered venture capital companies. The NSE and CDSC are obligated to provide the infrastructure that allows fair, efficient and orderly functioning of the capital markets. There are four associations that represent the interests of capital markets participants, namely the Kenya Association of Stockbrokers and Investment Banks, the Fund Managers Association, the Association of Collective Investment Schemes and the Custodians Association.

With the extension of the mandate of the Authority through an amendment to the Capital Markets Act, the Authority was vested with the responsibility for the supervision and licensing of spot commodities exchanges in Kenya. To support the operationalization of a spot commodities exchange infrastructure, ongoing efforts to put in place appropriate warehouse infrastructure and warehouse receipt systems will call for effective coordination between the Authority and relevant Government agencies.

As at June 2018, a total of 132 institutions had been licensed by the Authority as depicted in the table below;

Name/ Type of Institution	Number as at June 2017
Securities Exchange (NSE)	1
Central Securities Depositories (CDSC)	1
Investment banks	14
Stockbrokers	10
Investment advisers	13
Fund managers	26
REIT managers	8
REIT trustees	3
Authorized REITs	1
Collective investment schemes	23
Authorized depositories/ Custodians	14
Credit rating agencies	3
Authorized securities dealer	1
Approved employee share ownership plans (ESOPS)	14
Total	132

Source: CMA

1.5. Strategic Plan 2018-2023 Mind Map

STRATEGIC OBJECTIVES	STRATEGIC INITIATIVES	ACTIVITIES	OUTCOMES
Ensuring a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency	<ul style="list-style-type: none"> Enhance the responsiveness and enforceability of the policy and regulatory framework to improve investor experience Review policy and develop regulatory frameworks to be in alignment with National Agenda 	<ul style="list-style-type: none"> Develop TCF framework Publish corporate governance assessment reports Implement light disclosure for PE Firm Targeted Investor education Framework for Spot commodities exchanges 	<ul style="list-style-type: none"> Emerging Markets Status 2 Commodity Exchanges 1.7 Trillion Annual Value of Commodities Traded 30 Capital Markets Issues
Facilitate the development, diversification and uptake of capital markets products and services	<ul style="list-style-type: none"> Enhance awareness & delivery of capital market education for investors Review the policy and regulatory environment to attract a broader set of investors & issues Assess & refine the policy and regulatory framework to ensure optimal uptake of products and market participation 	<ul style="list-style-type: none"> Implement recommendations of investor Education impact assessment & opportunities study Support NSE on green program Facilitate issuance of Islamic capital markets products Implement recommendations of the low uptake paper 	<ul style="list-style-type: none"> Investor Education Measurement Index @ 52% 3.5 Trillion Market Capitalization 100 Billion Assets Under Management
Ensure sound market infrastructure, institutions and operations	<ul style="list-style-type: none"> Supervise the maintenance of efficient pre-trading environment including trade facilitation, access to data and information and stable technology Ensure efficiency and risk minimization in the trading and post-trading environment (clearing custody & settlement) Promote proper market conduct through proactive supervision of capital markets operations as well as spot commodities market and effective enforcement 	<ul style="list-style-type: none"> Implement OTC bond market Implement liquidity enhancing tools Enforce sound financial reporting Settlement & Clearing systems reforms Facilitate WRS & Commodities Exchange Enhance early detection of misconduct Enhance market surveillance 	<ul style="list-style-type: none"> 6 months turnaround time to conclude investigations DvP Status Fully Implemented Increase in % of cases resulting in administrative actions, prosecutions and recoveries
Leveraging technology to drive efficiency in the capital markets value chain	<ul style="list-style-type: none"> Build capacity to respond to the impact and support the implementation of new technologies in the capital market value chain Internally leverage Information, Communication and Technology (ICT) to enhance efficiency and service delivery 	<ul style="list-style-type: none"> Implement regulatory sandbox Collaborate with Government & Industry on Fintech JFSR Fintech hotline Improve automation & data analytics 	<ul style="list-style-type: none"> 5 Fintechs admitted to Sandbox Level of automation @ >75%
Ensure optimal institutional efficiency and effectiveness of CMA	<ul style="list-style-type: none"> Enhance and align staff competency with changing operating environment Enhance financial sustainability and operational efficiency Improve and uphold the corporate image of the Authority 	<ul style="list-style-type: none"> Implement Uwezo - Kipeo Align organization structure to strategy Staff capacity development Set up fundraising desk Continuous review of risk management framework Implement communications strategy 	<ul style="list-style-type: none"> 85% rate of completion of Strategy Plan Activities 2 Counties using Capital markets to raise funds 50% rate of Completion of activities under mutual agreements
Enhancing strategic influence	<ul style="list-style-type: none"> Continue to build strategic alliances with domestic and international partner Consistently engage key stakeholders to ensure deepening of the capital markets 	<ul style="list-style-type: none"> Establish & implement MoUs Map stakeholders & actively engage Coordinate development of multi-sectoral crisis management framework 	<ul style="list-style-type: none"> 1.3 Billion Total Revenue Aggregated staff performance rating @ 72% Customer Satisfaction Index @ 72%

1.6. Strategic Plan Alignment to the Big 4 Agenda

The Authority, fully cognizant that Kenya's national development goals and priorities are very dynamic in drawing up the strategic plan, carefully took into consideration existing long-term domestic and global socio-economic priorities in determining its strategic priorities, objectives and initiatives. These include the over-arching Vision 2030, its supporting Third Medium Term Plan (MTPIII) and the Sustainable Development Goals. More specifically, the Plan embraces the transformational potential of the Big 4 Agenda and therefore clearly identifies the CMA's role in supporting its achievement as depicted below:

STRATEGY



Regulatory Excellence Model

Responsive policy, legal and regulatory framework

Market Conduct (Treating Customers Fairly)

Leverage technology to drive efficiency

Effective public awareness and Market Deepening

Stakeholder mapping and influence

Sound market infrastructure, institutions and operations

BIG 4 AGENDA



Food Security

- Spot Commodities & Derivatives Exchanges
- Warehousing Receipt Systems
- Social Impact Investing
- Private Equity Capital raising
- Green Bonds
- Central Clearing Counterparty (CCP)

2018 -2020

Housing

- Housing Bonds
- Asset Backed Securities
- Real Estate Investment Trust
- Mortgage Refinance Bonds
- Country Bonds

2019 -2023

Health Care

- Green Bonds, Sukuk
- Social Impact Investing
- FinTech
- Asset Backed Securities
- County Bonds
- Real Estate Investment Trust

2019 -2021

Manufacturing

- Initial Public Offers/ Project Bonds
- Private Equity
- Fin Tech

2018 -2023

OUTCOME

- ✓ Sufficient supply of quality & affordable food and water
- ✓ Stable food prices
- ✓ Empowered farmers/producers
- ✓ Guaranteed payments

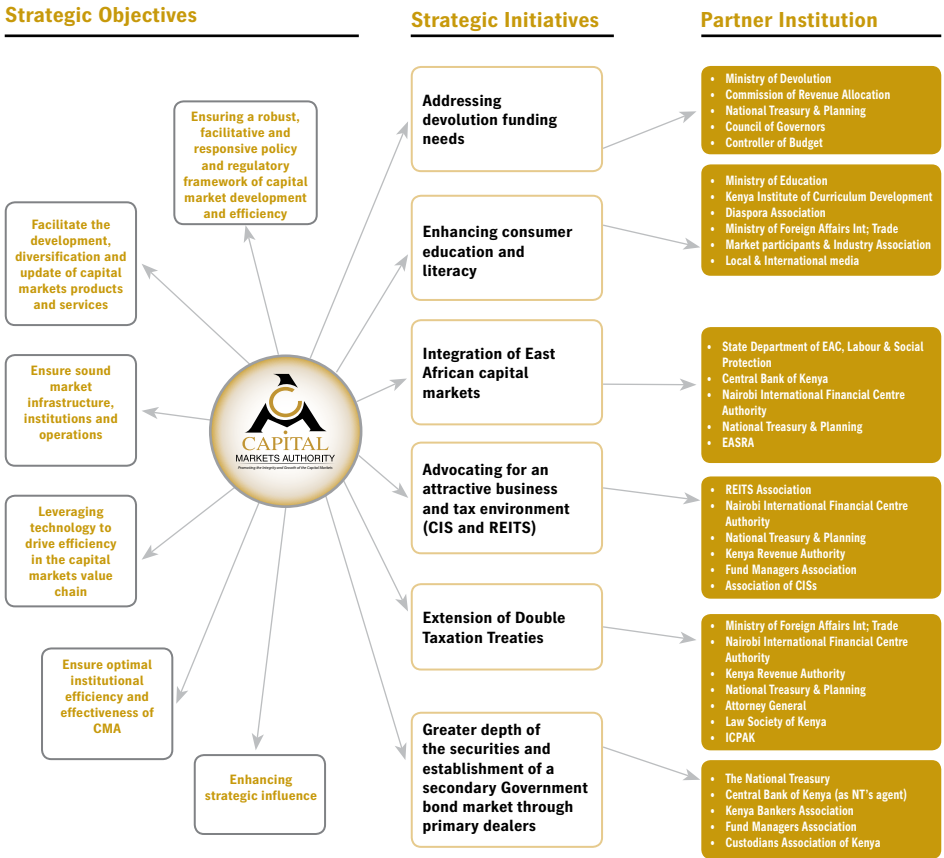
- ✓ Low Cost Housing
- ✓ Higher quality of life
- ✓ Home - equity ownership

- ✓ Clean Air
- ✓ Clean Water
- ✓ Clean Energy
- ✓ Better Health

- ✓ Savings, Trade and Investments
- ✓ Growth and Industrial growth
- ✓ Employment
- ✓ GDP Growth

1.7. Stakeholder Mapping

To support Kenya’s developmental and economic transformation needs, develop market infrastructure and build robust regulatory frameworks a majority of actions require effective collaboration between various stakeholders as identified. Some of the actions that require such collaborative effort are depicted below:



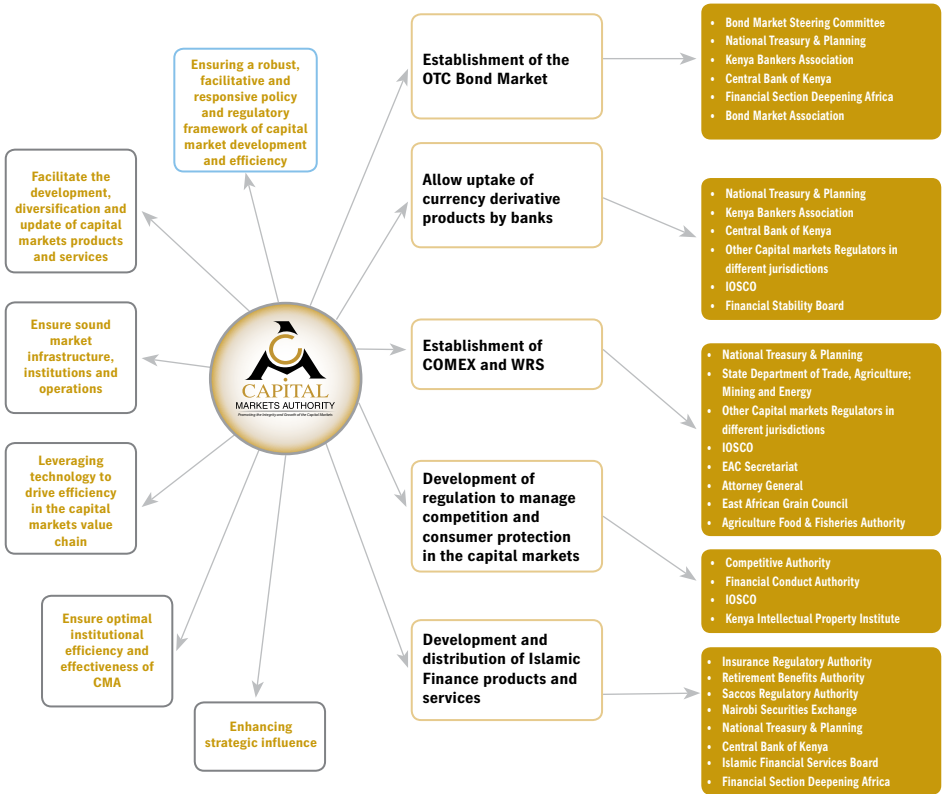
Source: CMA

Stakeholder Mapping (Continued)

Strategic Objectives

Strategic Initiatives

Partner Institution



Source: CMA

2. STRATEGIC PLAN IMPLEMENTATION

This Strategic Plan envisages 101 activities to be implemented over the next five years. Of these activities, 53 are high priority, 36 are medium priority, and 12 are low priority. It is appreciated that the foregoing activities regardless of their prioritization are interdependent and correlated with regard to the envisaged outcomes.

Further, the Authority has identified and defined a number of key performance indicators based on market outcomes that are directly linked to specific strategic initiatives. This approach is expected to empower the Authority to more effectively track whether the activities carried out under each strategic initiative are having the desired market outcomes, including those that involve coordination with other regulators or stakeholders and allow for more proactive risk mitigation and opportunity maximization. The overall key performance indicators are summarized in the table below;

Strategic Objective	Strategic Initiatives	Overall KPIs	2018	2023 (Expected)	Source
Ensuring a robust, facilitative and responsive policy and regulatory framework for capital market development and efficiency	Enhance the responsiveness and enforceability of the policy and regulatory framework to improve investor experience	MSCI Ranking	Frontier Market Status	Emerging Market Status	MSCI reports
	Review policy and develop the regulatory framework to be in alignment with the National Development Agenda	Number of Commodities Exchanges	0	2	Kenya Commodity Exchange (COMEX) Feasibility Study 2017
		Number of commodities traded on licensed Commodities Exchanges in Kenya.	0	4	
		Value of traded commodities (in KES)	0	1.7 trillion per annum	
		Number of capital markets issuers with capital markets products related to the manufacturing, housing, agriculture and healthcare sectors	20	30	Research Reports (various), H.E. The President's Speech during the 54th Jamhuri Day Celebrations on 12th December 2017
Facilitate the development, diversification and uptake of capital markets products and services	Enhance awareness and delivery of Capital Market education for investors	Composite Unweighted Investor Education Measurement Index (IEMI)	41%	52%	CMA Investor Education Impact Assessment and Opportunities study, June 2018
		Percentage of market intermediaries conducting investor education programmes	7%	21%	
	Review the policy and regulatory environment to attract a broader set of investors and issuers	Proportion of total investors (as % of adult population)	19%	30%	
	Assess and refine the policy and regulatory framework to ensure optimal uptake of products and market participation	Market capitalization (equity)	KES 2.6 trillion	KES 3.5 trillion	CMA Statistical Bulletin, CMMP and Capital Markets Soundness reports
		Value of new corporate debt listings on NSE	KES 79.7 billion	KES 80	
		Assets under CIS management	KES 60 billion	KES 100 billion	

Strategic Objective	Strategic Initiatives	Overall KPIs	2018	2023 (Expected)	Source
		Number of issuers of other products (REITs, derivatives markets, ABS, ETFs, Islamic products, GDRs & GDNs)	2	7	
	Supervise the maintenance of efficient pre-trading environment including trade facilitation, access to data and information and stable technology	Equity Market liquidity (Average Equity Turnover/MCAP)	6.8%	25%	
		Bond Market liquidity (Average Bond Turnover/ Value of Outstanding Bonds)	26.8%	40%	
Ensure sound market infrastructure operations and institutions	Ensure efficiency and risk minimization in the trading and post-trading environment	DvP Status	Partially implemented	Fully implemented	Bond Market Steering Committee Reports (various)
	Promote proper market conduct through proactive supervision of capital market operations and effective enforcement	Percentage of cases completed, resulting in Administrative Action	N/A	75%	Investigations and Enforcement Reports (various)
		Percentage of cases completed, resulting in prosecution	N/A	50%	
		Percentage of cases completed resulting in recoveries	N/A	25%	
Turnaround time to conclude investigations and prosecutions	9 months	6 months	Internal Fraud Intelligence Reports (various)		
Leveraging technology to drive efficiency in the capital markets value chain	Build capacity to respond to the impact of and support the implementation of new technologies in the capital market value-chain	Number of FinTechs admitted to the test environment under the regulatory sandbox	0	5	CMA/FSDK/C-GAP Report 2018
	Internally leverage Information, communication and technology to enhance efficiency and service delivery	Level of Automation within the Authority	74%	>75%	Self -assessments against ICT Authority Guidelines
Enhancing Strategic Influence	Continue to build strategic alliances with domestic and international partners	Percentage implementation of activities carried out under mutual agreements	20%	50%	CMA Monitoring and Evaluation Reports
		Number of capacity building partnerships.	5	10	CMA Monitoring and Evaluation Reports
	Consistently engage with key stakeholders to ensure deepening of the capital markets	Counties using capital markets to raise funds	0	2	National and County Funding Gap Analysis Report
		Percentage of completed activities within the strategic plan	83%	85%	CMA Monitoring and Evaluation Reports
Ensure optimal institutional efficiency and effectiveness of CMA	Enhance and align staff competency with the changing operating environment	Average % achievement of annual Aggregated Performance Ratings of Staff (for the strategic plan period)	70%	72%	CMA Monitoring and Evaluation Reports

Strategic Objective	Strategic Initiatives	Overall KPIs	2018	2023 (Expected)	Source
	Enhance financial sustainability and operational efficiency	Total Revenue	KES 983 million	KES1.3 billion	CMA Budget Estimates
	Improve and uphold the corporate image of the Authority	Customer satisfaction index	73%	76%	CMA Customer Satisfaction survey 2016

3. MANAGING THE RISKS TO STRATEGIC PLAN IMPLEMENTATION

The Authority is cognizant of the emerging risks that accompany the implementation of the Strategic Plan which need to be addressed for the plan's successful implementation. The Authority has put in place a risk management framework to ensure alignment of the strategy, processes, people, technology and funds in order to evaluate and manage the threats to the implementation of the strategic plan.

The following are the major risks to the Strategic Plan's execution that may undermine the effective functioning of the Authority and the requisite mitigation measures.

Strategic Objective	Possible Risks	Risks Mitigation
Responsive policy and regulatory framework for capital market development and efficiency	Failure to initiate timely enforcement proceedings against non-compliant entities within the capital markets; Delayed enforcement actions	<ul style="list-style-type: none"> Proactive engagement with the relevant stakeholders including Government (as majority shareholder or as the sole owner) to improve corporate Governance Establishment of a Recovery Board at the NSE Introduction of infringement notices Introduction of no contest settlement program
	Unfavourable judicial judgements or policy decisions or orders that may threaten or impede CMA from realizing its mandate	<ul style="list-style-type: none"> Collaboration with Judiciary Training Institute to train judges and magistrates. Ensure that the legal and regulatory framework is clear through feedback from Enforcement related challenges and lessons learned.
	Negative perceptions of capital markets by investors.	<ul style="list-style-type: none"> Enhance professionalism in the market. Enhance market oversight. Increase sensitization and awareness sessions market trends. Ensure efficiency and effectiveness in the handling of investor complaints. Adequate skills acquisition and training of CMA staff to effectively develop and enforce regulation.
	Unfavourable changes in macro-economic environment.	<ul style="list-style-type: none"> Proactively assess key macroeconomic factors and suggest mitigation measures. Develop a dynamic suite of capital market products to provide investors with options in both a well performing and a poorly performing economic environment.
	Uncertain/Unfavourable Political environment changes	<ul style="list-style-type: none"> Assess the local and international political environment and provide periodic advisory on mitigation measures.
Ensure sound market infrastructure, operations and institutions	Money laundering and terrorism financing through the capital markets sector	<ul style="list-style-type: none"> Internal capacity building e.g. training on risk assessment and supervision skills Enhanced regulation, supervision and enforcement. Rolling out targeted sensitization programs for market intermediaries. Collaboration through MoUs etc. on supervision, intelligence and information sharing with FRC, financial sector regulators and Law Enforcement Agencies (LEAs). Partnership/cooperation with international organizations e.g. IMF, World Bank, FSVC etc. in offering TA on targeted supervision areas. Separate prudential and AML/CFT supervision as advised/recommended by IMF consultants.

Strategic Objective	Possible Risks	Risks Mitigations
	Trading, clearing and settlement systems failure	<ul style="list-style-type: none"> • Ensure implementation of the Principles of Financial Markets Infrastructures. • Ensure implementation of effective business continuity plans by market players. • Frequent review of the systems to address gaps. • Ensure system audits and implementation of findings. • Take enforcement action against violations. • Strengthen supervision of the ATS and CSD systems. • Upgrade systems to support new and upcoming products. • Establishment of Crisis management, safety nets and resolution frameworks.
	Clearing and settlement process failure	<ul style="list-style-type: none"> • Implementation of buy-in procedures. • Enforce settlement limits • Ensure implementation of the Principles for financial market infrastructures (PFMIs) • Strengthen the guarantee fund. • Enforce settlement limits
Ensure optimal institutional efficiency and effectiveness of CMA	Sub-optimal staff capacity	<ul style="list-style-type: none"> • Proactive engagement with SCAC and National Treasury & Planning on critical positions recruitment. • Establish Human Capital Development Strategy. • Effective staff planning.
	Inadequate capacity to optimize business technology and intelligence to inform decision making	<ul style="list-style-type: none"> • Enhance internal capacity to improve business technology. • Coordinate and consolidate knowledge management.



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