

**SPEECH BY THE 2ND VICE CHAIRMAN OF
THE NAIROBI STOCK EXCHANGE (NSE)
MR. JOB KIHUMBA
AT THE LAUNCH OF THE COMPLAINTS HANDLING UNIT (CHU)
SMS SERVICE**

Invited guests,

All protocols observed,

On behalf of the Board and management of the Nairobi Stock Exchange, it is my pleasure to welcome you today as we launch the Complaints Handling Unit (CHU) SMS service.

The CHU, as it is commonly referred to, was launched on 18th August this year. The objective of the CHU is to provide a single contact point through which investors can lodge queries or complaints.

This facilitates a hassle free and convenient way for investors to send queries and receive feedback. By providing a standardised format for receiving the complaints, the CHU makes it easier to analyse the information received and use this to better inform market players.

By acting as the link between the stakeholders in the market; Capital Markets Authority, Central Depository and Settlement Corporation and the Kenya Association of Stock Brokers and Investment Banks, the CHU prevents duplication of efforts in solving of queries. This means that the investor gets his response quickly.

In a rapidly evolving capital markets such as ours, what the NSE has done is provide a channel through which we as a market can be responsive to investor demands.

By its nature, the exchange is a platform where different stakeholders interact; issuers, investors and brokers. Through their various interactions, conflicts will inevitably arise and it is important to ensure that these are resolved as quickly and efficiently as possible.

The best way to do this is by providing a transparent and easily accessible platform that gives investors the confidence to know that their interests are being addressed. And thus far, the CHU has delivered on this aspect.

The first phase of the project was the implementation of a web based system, which enabled investors, both local and those in the diaspora to lodge and track their complaints online.

Allow me to highlight some of the achievements we have had so far on the web based system. Since its inception in August, the unit has made significant progress. Thus far, a total of 197 complaints have been received through the CHU. 145 have been successfully resolved and 52 are currently in progress. A larger percentage of these queries, approximately 30 % address basic queries about various processes governing the capital markets.

It is based on this that the CHU has partnered with listed companies to work towards availing information to investors through setting up information desks at Annual General Meetings. The information booths also allow the investors to interact with the CH and familiarise themselves with how to utilise the system. Thus far, the CHU has attended 3 AGMs and the feedback from both the listed companies and investors is very positive.

The launch of this SMS service marks the next phase in enhancing the ease with which the investors can get in touch with the CHU. The aim of the SMS service is to allow investors who do not have access to the internet or prefer to use their handsets, the ability to simply send a text to 8485 to lodge their query or complaint.

This SMS short code 8485 is an NSE dedicated number which is linked up to the CHU database and is available to subscribers from either Safaricom or Zain. The investor simply sends his name, Identification card number, CDSC account and issue to 8485. This SMS is then received at the CHU and the investor receives an acknowledgement text that indicates his reference number.

To enhance the security and confidentiality of this SMS service, the information is received through secure links, and is only accessed by authorised personnel. The information is thus only disclosed to the relevant parties related to the complaint.

This SMS feature will cost a minimal Kshs. 10 per text message that making affordable to the broad investor base.

The NSE and market players remain committed to boosting investor confidence by providing a framework that attracts savers to transferring their funds to companies that require financing. It is our hope that investors will continue to utilise these services that have been availed by the market players to ensure that their stock market experience is a positive one.

JOB KIHUMBA
2ND VICE CHAIRMAN