

The Central Bank of Kuwait

Dr. Mohammad Y. Al-Hashel
The Governor

29 Safar 1440 H
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The Chairman of the Board of Directors,

Greetings,

“Circular to all Local Banks, Financing Companies and Exchange Companies”

Further to the Circular dated 28/08/2019 and the attached Security Council Resolution No. 35 of 2019 regarding the executive bylaw of the implementation of the Security Council resolutions issued pursuant to Chapter VII of the United Nations Charter on combating terrorism and financing of proliferation of weapons of mass destruction,

kindly find attached the mechanism for following up the resolutions of the Sanctions Committees under Chapter VII of the United Nations Charter, whether those of the Security Council by virtue of the Resolutions Nos. 1267/1999, 1988/2011 and 2253/2015 and related resolutions, or the resolutions issued by the Ministry of Foreign Affairs based Commission for implementing the Security Council Resolutions under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction.

All local banks, financing companies and exchange companies are hereby required to:

- Freeze targeted funds and refrain from providing services to any of the listed names issued by the following committees:

- The Sanctions Committees formed under the Security Council Resolutions No.1267 (1999), 1988 (2011), and No. 2253 (2015) and the related resolutions.
 - The Commission for implementing the Security Council Resolutions under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction.
- Develop the work procedures to enable fulfillment of the requirements of Resolution No. 35 of 2019, and adapt the necessary automated systems to ensure avoidance of any transaction with any of the names in the black lists issued by the aforementioned committees.
 - Provide the Central Bank of Kuwait (CBK), within 3 days from the date of the circular, with the names of specialists, their e-mails and phone numbers, and any other requirements related to the attached mechanism, in order to be approved and considered when sending the resolutions issued by the local committee.

The CBK shall verify compliance by all units with the requirements of the Resolution No. 35/2019. Penalties and necessary actions, as stipulated under Article 15 of the Law No. 106/2013 regarding Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), shall be imposed and taken against any unit violating this Resolution, and the attached mechanism for following up the resolutions of the Sanctions Committees formed under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction.

Best regards,

Dr. Mohammad Y. Al-Hashel

The Central Bank of Kuwait

Mechanism for implementing Security Council Resolutions issued under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction.

Based on the Resolution No. 35 of 2019 regarding the executive regulations for implementation of the Security Council resolutions issued under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction, previously circulated on 28/08/2019 to all units subjected to CBK supervision,

All local banks, financing companies and exchange companies are required to:

- follow-up, on a permanent basis, on the resolutions of the Sanctions Committees formed under the Security Council Resolutions Nos. 1267/1999, 1988/2011 and 2253/2015, as well as the updated freezing lists published on the website, and take the necessary actions, immediately and without any delay, with respect to compliance with the requirements of those resolutions, and against the names in the published lists.
- Take the necessary measures to ensure immediate implementation of the requirements of the resolutions issued by the Ministry of Foreign Affairs based Commission for implementing the Security Council Resolutions under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction (the Local Committee) in compliance with Resolution 1373/2001, and the resolutions issued by the said commission with respect to including names of individuals, groups or entities upon receipt of notification from the CBK via e-mail (AML.CFT@cbk.gov.kw) for this purpose without any delay.
- In case there are any targeted assets or previous/current transactions with any of the names of individuals, groups or entities

included in the lists of the Security Council Sanctions Committees or the Local Committee, notify the CBK of the measures taken in this respect within a maximum of three working days of the date of issuing resolutions of freezing and prohibition of dealing.

- In the event where other parties are assigned to update the data related to the names of individuals, groups or entities that are included in the lists issued by the Security Council Sanctions Committees, your bank/company must take additional measures and procedures to ensure compliance with the freezing of funds, assets and accounts owned by the names of individuals, groups or entities on which resolutions were issued by the Local Committee under the Resolution No. 1373/2001, and not to deal with any of these names in the future.
- The CBK shall forward [via the designated e-mail of the Anti-Money Laundering and Financing of Terrorism Section in the Supervision Sector (AML.CFT@cbk.gov.kw)] any pronouncement issued by the Commission for implementing the Security Council Resolutions under Chapter VII of the United Nations Charter regarding the Combat of Terrorism and Barring Proliferation of Weapons of Mass Destruction to all units subjected to its supervision, immediately after receipt thereof.
- Freeze all directly or indirectly, solely or jointly owned funds, assets and accounts of any person, group or entity included in the lists of the Security Council Sanctions Committees or the Local Committee.
- Refrain from fund raising or providing financial services or any other service related directly or indirectly to the person, group or entity included in the lists of the Security Council Sanctions Committees or the Local Committee, taking into consideration the provisions of Article (20) of the Resolution No. 35/2019 permitting partial disposal of the funds in accordance with the articles under the Resolution No. 1452, at the discretion of committee.
- All local banks must provide the CBK, within three days of date of said circular, with the names and e-mail addresses of their two

specialists, as well as providing an e-mail address for those concerned with implementing the freezing and prohibition of dealing resolutions issued by the Local Committee, upon receipt of this mechanism, to be approved in sending the resolutions issued by the Local Committee in this regard. Also, phone numbers of the two concerned specialists must be provided for communication, if necessary. Moreover, financing companies and exchange companies must inform the CBK, within 3 days of date of said circular, with the name, e-mail address and phone number of the person responsible for receiving and implementing these resolutions as soon as they are issued, as well as the e-mail and phone number of the general manager of the company, as the above-mentioned resolutions will be sent to them. The concerned authorities are required to do the following:

- a. Confirm the receipt of the resolutions and forward confirmation that actions shall be taken regarding the implementation of the resolutions, as soon as the e-mail is received from the CBK.
- b. Use the designated e-mail (AML.CFT@cbk.gov.kw) to inform the CBK, within a maximum of 3 working days, of the measures taken by the unit.
- c. In the event where the previously provided names or e-mail addresses are changed, the CBK must be notified immediately of the names and e-mail addresses of the substitutes for approval to send future resolutions.
- d. The CBK shall verify, through its on-site and off-site supervision, compliance by the units with the Resolution No. 35/2019, and the requirements of this Mechanism, as well as the internal procedures approved by the units regarding compliance with the resolutions issued in this regard, and adequacy of the automated systems to ensure prohibition of dealing with any of the names listed in the issued resolutions. In case of any violation, penalties and measures stipulated

under Article (15) of AML/CFT Law No. 106/2013 shall be imposed.