

Ministerial Resolution
No. (1532) of 2013
On Establishing the Kuwait Financial Intelligence Unit

The Council of Ministers:

- Upon reviewing the Constitution,
- Decree Law No. (31) of 1978 on Rules for Preparing Public Budgets, Monitoring their Execution and Final Accounts,
- Decree Law No. (15) of 1979 on Civil Service and its amending laws,
- Decree Law No. (116) of 1992 on Administrative Organization, Determination of Competences and Delegation thereof,
- Law No. (106) of 2013 on Anti-Money Laundering and Terrorism Financing,
- The Decree issued on 4/4/1979 on the Civil Service System and decrees amending it
- And upon recommendation of the Deputy Prime Minister and Minister of Finance

Has resolved the following:

Article 1: The following word and expression shall have the following meaning in implementing the provisions of this Resolution:

1. **The Unit:** The Kuwait Financial Intelligence Unit
2. **The Executive Committee:** A formed committee headed by the Unit's Chairman and having as members the Deputy Chairman and the directors of the Financial Analysis, Legal Affairs, and Financial and Administrative Affairs Departments or their representatives in their absence.

Article 2: The Kuwait Financial Intelligence Unit shall be composed of a Chairman, his deputy and an adequate number of employees and experts in the different fields of competence from all levels and categories.

The chairman and his deputy are appointed by decree upon their nomination by the Minister of Finance and approval of the Cabinet for a mandate of four years renewable only once.

Article 3: The following is required for the appointment of the Unit's chairman or his deputy and for them to remain in both positions:

- 1- They should be Kuwaiti nationals
- 2- They shall not have been sentenced for a felony or crime involving a breach of honor or public trust
- 3- A final decree in bankruptcy shall not have been issued against them
- 4- They should be of good reputation and honest conduct

- 5- They should be experienced and specialized in fields relevant to the functions of the Unit especially in banking, financial or legal affairs.

Article 4: The chairman manages the affairs of the Unit and is responsible for implementing and following-up on the decisions of the Executive Committee and for conducting the works of the Unit. He is the legal representative of the Unit and he shall take the decisions that he deems necessary to achieve the objectives according to which it was established. These decisions particularly include:

- 1- Forming working teams, permanent or temporary committees as needed by the Unit and determining their powers.
- 2- Resorting to experts, qualified and experienced persons from inside or outside the governmental system to carry out the Unit's functions.

Article 5: The Unit shall have financial and administrative independence and have the full authority in making decisions upon issues within the scope of its responsibilities and functions.

The Unit shall be composed of adequate departments and divisions to be able to perform its tasks including the departments for financial analysis, legal affairs, financial and administrative affairs and information security and technology.

A decision shall be issued by the Unit's chairman to form and organize the departments and divisions of the Unit and to determine their numbers and the functions of each.

The nomination of the heads of the abovementioned departments shall be - only for the first time - under the recommendation of the Unit's chairman in consultation with his deputy. The Executive Committee shall be responsible for nominating their successors afterwards.

Article 6: The Unit shall be composed of staff with adequate qualifications and especially with experience in the fields of finance, banking or law.

Article 7: The Unit shall be under the oversight of the Minister of Finance, and shall present him with an annual report to be submitted to the Cabinet within four months of the end of each financial year. The report shall include information on its activities and work during the past year and shall also include the Unit's accounting information and the auditor's report.

Article 8: The Unit receives and analyses notifications and information on suspected proceeds of crime or funds related or linked to or to be used for money laundering or terrorism financing.

The Unit may also request any additional information it deems necessary to carry out its functions from financial institutions and designated non-financial businesses and professions. It may also obtain from public administration bodies any other information it deems necessary to carry out its functions and these bodies shall fulfill the Unit's requests in that regard without delay.

Article 9: The Executive Committee shall have the following powers:

- a. Taking decisions related to the dissemination to the Public Prosecutor's Office and other competent authorities, whenever it has reasonable grounds to

suspect that funds are proceeds of crime or related or linked to or to be used for money laundering or terrorism financing.

- b. Adopting instructions and guidelines to financial institutions and designated non-financial businesses and professions on the manner of reporting suspicious transaction and requests of information including reporting specifications, deadlines and procedures to be adopted in that regard.
- c. Adopting studies and issuing necessary decisions that assist in achieving the Unit's objectives.
- d. Identifying countries that it considers as high-risk and prescribing measures to be applied in relation to such countries.
- e. Approving the notification of relevant supervisory authorities if a financial institution or designated non-financial business or profession or any of their employees fails to comply with the requirements set forth in the AML/CFT Law, its Executive Regulation and related ministerial resolutions and instructions.
- f. Examining requests for information filed by competent authorities. The Committee shall have the authority to take the suitable decision regarding these requests.
- g. Agreeing on exchanging information with counterpart Units and other competent foreign authorities pursuant to the provisions of international bilateral and multilateral agreements to which the State of Kuwait is a party, or pursuant to a reciprocity or mutual agreement on the basis of cooperation arrangements entered into between the Unit and such authorities.
- h. Adopting an analytical report assessing the reports received by the Unit every year in addition to trends and statistics in the field of money laundering and terrorism financing to be published annually.
- i. Adopting qualification and training programs for the Unit's staff.
- j. Appointing the Unit's auditor.
- k. Setting work procedures and systems for the Unit and its management, including the code of conduct and confidentiality procedures.
- l. Adopting the Unit's organization chart and defining the powers of affiliated departments and divisions in addition to administrative and financial regulations.
- m. Adopting the draft annual budget of the Unit, supervising its implementation and adopting its draft closing accounts.

Article 10: Executive Committee meetings are considered valid if the majority of Committee members are in attendance, in addition to the presence of the chairman or his deputy. The Committee's decisions are taken by majority vote and in case of a tie, the Chairman's vote shall prevail.

Article 11: While exercising their functions in the Unit, the chairman, his deputy and Unit staff shall refrain from:

- 1- Holding or exercising any other public job, even if indirectly, or any other paid or unpaid job or work.
- 2- Providing any services or consultation directly or indirectly, or be members of the Board of any party or company.
- 3- Contributing to the undertakings of the government or public institutions or bodies.

4- Purchasing or leasing public funds even if through public auction or selling, renting or bartering any of their funds to the State.

Article 12: The Legal Affairs Department of the Unit shall originate all reports presented by the Unit and appear before the public prosecution.

Article 13: The Unit shall establish and operate a database including all information related to suspicious transaction reports and other information relevant to the powers of the Unit. No party shall have access to the information available to the Unit except under the circumstances and cases stipulated in the AML/CFT Law, its Executive Regulation and the present resolution.

Article 14: The Unit shall have its own financial resources to cover the expenses of its activities, they are formed of the following:

- The annual share allotted to the Unit from the State Budget.
- Other revenues as agreed upon by the Cabinet.

The Unit shall manage its own funds pursuant to the provisions of the internal regulations.

Article 15: The Unit shall ensure suitable bookkeeping and records showing all its operations and transactions. It shall also have its own auditor.

Article 16: The Minister of Finance shall implement the present Resolution and it shall enter into effect on the day it is issued. The Resolution is to be published in the official gazette.

Sheikh Jaber Al-Mubarak Al-Hamad Al-Sobah
Prime Minister of Kuwait

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