

## KwFIU Guide to Complete Suspicious Transaction Report Form for Financial Institutions and DNFBPs

Article 12 of the Anti-Money Laundering and Combating the Financing of Terrorism Law No. (106) of 2013 (AML/CFT Law) requires financial institutions and designated non-financial businesses and professions to report to the KFIU transactions or attempted transactions, irrespective of their value, in relation to which there is a suspicion or reasonable grounds to suspect that such transaction involves proceeds of crime or funds related or linked to or to be used for money laundering or terrorism financing.

Article 13 of the Law states that financial institutions and designated non-financial businesses and professions, their directors and employees are prohibited from disclosing to a customer or any other person the fact that a suspicious transaction report or any information related to such a report has been submitted to the KFIU under the previous article, or that a money laundering or terrorism financing investigation is being carried out. This does not preclude disclosures or communications between the directors, employees and users of the financial institution or designated non-financial businesses and professions, legal counsels, competent authorities and public prosecution.

Whoever deliberately or by gross negligence:

- a- Fails to make a report under Article 12 or presents false data or information or conceals facts which should be disclosed,
- b- Discloses information to a third party in violation of Article 13,

shall, under Article 35, be punished by imprisonment for up to three years, and fine of no less than 5,000 Dinars and up to 500,000 Dinars, or by one of these two sanctions. In the case where a legal person commits any of the offenses stated in (1) and (2), a fine of no less than 5,000 Dinars and up to 1 million Dinars shall be imposed.

The KFIU has developed a Suspicious Transaction Report Form to be used to file reports with the KFIU. This Guide shall assist financial institutions and designated non-financial businesses and professions in filling out the form, and stipulates the manner and timing in which reports are to be filed. For each specific area identified in the form the guide elaborates on the type of information sought.

Both the Suspicious Transaction Report Forms and this guide can be found on the homepage of the KFIU at: **INSERT LINK**

## General Information on Manner of Reporting

Suspicious Transaction Reports shall be filed through use of the Suspicious Transaction Report Forms. A separate form was developed for financial institutions and designated non-financial businesses and professions in Kuwait, taking into account its specific features.

Reports should be submitted to the KFIU no later than two working days after the suspicions has arisen or there is reasonable grounds to suspect that a transaction involves proceeds of crime or funds that are related to or to be used for money laundering or terrorism financing according to Article 16 of the Executive Regulation of Law No. 106 of 2013. In such cases, a suspicious transaction report should be made to the KFIU providing as much detail as possible and indicating the grounds for the suspicion and supporting information.

**Completed forms should be forwarded to the chairman of the KFIU in a special and secret envelope and handed to the chairman's office.**

### Filling out the Suspicious Transaction Report Form

Typed forms are preferred over handwritten reports, as the latter may cause delays in transcription. If requested information is not available, leave relevant fields blank. If the fields provided are not sufficient to indicate all relevant information, please copy and paste relevant fields in the form to create additional space. For example, if one subject has more than one bank account, copy the questions relevant to "subject bank account" and paste them further down in the same cell.

**I. Reporting Institution:** Information on the reporting institution is crucial, as any analysis or request of information taken by the KFIU based on the submitted report may require the production of records, data or other available information. The information provided herein identifies the institution that any subsequent production orders or other provisional measures will be served upon.

**Name of Reporting Institution:** as registered with the regulating supervisory authority.

**Branch office:** name of the branch office from which the report originates (if any).

**Address:** address of the reporting institution.

**Date of Disclosure:** Date on which the report is submitted to the KFIU.

***Note that the KFIU must be provided with contact information for the compliance officer or a person who shall replace him in his absence within the institution and who is familiar with the submitted report and the transactions described therein. If necessary, contact information may also be provided for a second point of contact. Such a necessity may arise if, for example, contact person 1 is going to be on leave or otherwise unavailable for follow-up questions shortly after submission of the report to the KFIU.***

If submitting an update to a previously submitted report, the KFIU reference number provided to the reporting institution with respect to the previous report should be indicated.

## II. Suspicious Transaction Information

**Subject of Report:** The subject of a report is the natural or legal person on whom you wish to report. The form provides for up to three subjects. For each subject, indicate whether you think that a person is the main subject or an associate subject of suspicious transaction. If there are more than three subjects, please copy and paste the relevant cells to create more writing space. For each subject, either fill out the section “subject is a natural person” or “subject is a legal person”, depending on whether the subject is an individual or a company or other legal entity. For subjects that are legal persons, information has to be provided not only on the legal entity itself, but also on natural persons associated with the legal entity, such as directors and beneficial owners of the legal entity.

For all subjects, beneficial owners, directors etc., it is important that full names are indicated in the form according to identification data therein.

### ***Subject is a natural person:***

**Date of Birth:** Date of birth of the subject.

**Place of Birth:** Place of birth of the subject, including city and country.

**Nationality:** All nationalities held by the subject.

**Occupation:** Current occupation, as well as other information on subject’s professional status, such as for example “retired”. Information may include any previous occupations held.

**Politically Exposed Person:** Please refer to the definition of “politically expose person” as provided in the Executive Regulation of the AML/CFT Law.

**Business Address:** Include all business addresses of the subject.

**Residential Address:** Include all residential addresses of the subject.

**Telephone Number:** Include all up-to-date telephone numbers of the subject that your institution can provide, and indicate which type (work, home and cell phone numbers). Previous telephone numbers of the subject may be requested by the KFIU at a later stage.

**Email:** Include all up-to-date email addresses of the subject and identify which type (work or private). Previous email addresses of the subject that are known to your institution may be requested by the KFIU at a later stage.

### ***Subject is a legal person:***

**Company Form:** Indicate the legal form of the company, for example joint liability company, limited liability company, partnership, or any other company form under the Article of Association.

**Type of Business:** Indicate the business activity of the company, as indicated in the Article of Association or other official documents. If your relationship with the company revealed any other or additional business activities than those indicated in the official company documents, please indicate those as well.

**Company Address:** Indicate all known company addresses, including headquarters and other business office addresses deemed necessary by your institution.

**Country of incorporation:** Indicate the jurisdiction under which law the company was established.

**Date of Incorporation:** Indicate the date of the company's incorporation as evidenced by the commercial register excerpt or similar official documents.

**Registration Number:** Indicate the company registration number of the commercial register, if known.

**Telephone Number:** Include all up-to-date telephone numbers of the subject that were given to your institution, and indicate which type (work, home and cell phone numbers). Previous telephone numbers of the subject that are known to your institution may be requested by the KFIU at a later stage.

**Name of Company Director:** Indicate the full name of the company director. If there is more than one director, copy the relevant questions and paste them directly underneath "email of company director" to provide for more writing space.

**Address of Company Director:** Indicate all known addresses of the company director, and indicate the type (home, work etc.)

**Phone Number of Company Director:** Include all telephone numbers of the company director that were given to your institution, and indicate which type (work, home and cell phone numbers). Previous telephone numbers of the subject that are known to your institution may be requested by the KFIU at a later stage.

**Email of Company Director:** Include all email addresses of the company director that have been given to your institution, and identify which type (work or private). Previous email addresses of the subject that are known to your institution may be requested by the KFIU at a later stage.

**Name of Beneficial Owner:** Indicate the full name of the company's beneficial owner. The term "beneficial owner" is defined in Article 1 of the AML/CFT law as "any natural person who ultimately owns or exercises direct or indirect control over a customer or the person on whose behalf a transaction is being conducted. It also includes those persons who ultimately exercise effective control over a legal person or legal arrangement". If the company has more than one beneficial owner, the relevant information must be provided for each beneficial owner. In such cases, please copy the relevant questions and paste them directly underneath the section on "identification details for the beneficial owner" for additional writing space.

**Address of Beneficial Owner:** Indicate all known addresses of the beneficial owner, and indicate the type (home, work etc.).

**Nationality of Beneficial Owner:** Indicate all nationalities of the beneficial owner.

**Date of Birth of Beneficial Owner:** Date of birth of the beneficial owner.

**Place of Birth of Beneficial Owner:** Place of birth of the beneficial owner, including city and country.

**Occupation of Beneficial Owner:** Current occupation, as well as other information of the beneficial owner's professional status, such as for example "retired". Information may include any previous occupations held.

**Politically Exposed Person:** Please refer to the definition of “politically expose person” as provided in the Executive Regulation of the AML/CFT Law. The term describes a person who may be or recently did act in the political arena of any country, including Kuwait, or who has held a senior administrative position in such an area previously. The form should indicate for each beneficial owner whether he falls under the definition.

**Subject Account Details:** *Information on the subject’s accounts should be provided regardless of whether or not the account was actually involved in the transaction which gives rise to your suspicion and the submission of this report. In case the report will result in an investigation, it will be important for investigators to determine the financial background of the suspect, so as to identify, trace, and if necessary, seize and freeze the proceeds of crime.*

**Reason for associating this subject with main subject** (for use only with associate subject details): In cases where the subject is indicated as “associate subject”, please describe the reasons for suspecting that the subject is associated with main subject.

**Name in which Account is Held:** Indicate the full name in which the account is held.

**Account Number:** Indicate the full account number.

**Type of Account:** Indicate name of account

**Rights to Account:** Includes holders of joint account, trustees, proxies or beneficial owners

**Date of Establishment of Business Relationship:** Practically the date of establishment of the business relationship with the customer

**Information on Relationship:** Number of opened accounts, facilities and services provided to the customer

**Date Account was opened:** Indicate the date that the business was established with your institution. This assists in determining whether the subject has had a long term or short term relationship with the institution, and to identify the amount of documentation that may be expected to be held.

**Date Account was closed:** Indicate the date that the business relationship with the subject ended if it happened.

**Balance of Account:** Indicate the balance of the account at the time of submission of the report.

**Balance Date:** Indicate the date on which the account balance above was determined.

**Number of Transactions of debtor account during suspicion:** Indicate total number of transactions made on the account during the suspicion

**Number of Transactions of creditor account during suspicion:** Indicate total number of transactions made on the account during the suspicion

**III. Suspicious Transaction Details:** The form provides for information on up to three directly related suspicious transactions. Suspicious transactions are considered to be directly related if the reporting institutions suspect that they are carried out for the same general

purpose, and/or by or on behalf of the same main or associate subject. If needed, the relevant sections can be copied and pasted at the end of the document to provide for information on more than three transactions. In case of doubt, we would advise that separate reports are filed on suspicious transactions that are not clearly related to each other.

**Transaction Status:** Information on whether the transaction was carried out, attempted, postponed, delayed or canceled.

**Transaction Type:** Indicate the type of transaction that gave rise to your suspicion, for example an occasional transaction, deposit, wire transfer, cashing of checks etc. and whether the transaction was a credit or debit transaction.

**Transaction Date:** Indicate the date on which the suspicious transaction was made.

**Currency in which transaction was carried out:** Indicate the currency in which the transaction was carried out.

**Amount transacted:** Indicate the amount transacted and whether the transaction related to debit or credit

**Name of Originator:** Indicate the full name of the natural or legal person from whose account the suspicious transaction originated.

**Originator Account or Transaction Number:** Indicate the full account number of the originator of the suspicious transaction. In cases where no account was involved, indicate an identification number for the transaction (check number, credit card number etc.)

**Name of beneficial owner:** Indicate the full name of the beneficial owner

**Account Number of beneficial owner:** Indicate the full account number of the beneficial owner, if available

**Name of Receiver:** Indicate the full name of the natural or legal person who was the recipient of the suspicious transaction.

**Receiver's Account Number:** Indicate the full account number of the recipient of the suspicious transaction, if available.

**Name and Sort Code of receiving institution:** Indicate the name and sort code of the recipients' account that was involved in the suspicious transaction, if available.

#### **IV. Detailed Description of Reason for Reporting**

This section is the most important part of the submission, as it should describe in great detail the suspicious transaction(s) or accounts. It should also describe the volume, sequence, links, originators, and beneficial owners of such transactions, as well as indicators that apply to the transaction, including those related to the characteristics of a given transaction, series of transactions, or information on the customer or beneficial owner and their involvement in a criminal activity, doubtful behavior or unknown economic activity which is not substantiated by available information. Information on suspicious transactions, customers or accounts, whether it has been collected at the beginning of the business

relationship, upon request for evidence, update or confirmation, or to verify information or the existence of unusual transactions or behaviors, or in an attempt to provide inaccurate information or documents shall be deemed necessary for the subsequent analysis and for the suspicion of the reporting institution and the filing of this report. Information must be provided on the source and purpose of these funds and whether they are related to proceeds of crime or to terrorism financing, as well as information on such proceeds or crimes. In the case where the report is about a customer who is already the subject of another report, or is a beneficial owner, associate or partner of another customer who is, himself, the subject of a previous report, or when there is any further information that can be useful to analyze the report, relevant information should be indicated in this section.

Reporting institutions should remember that officers of the KFIU do not have access to client files and a working knowledge of the client's business. An overview of the type of business being conducted for the client and the client's business portfolio will thus be helpful for the KFIU's analysis. Reporting institutions should also remember that they are required to submit reports without any delay as soon as suspicion has arisen, and not seek to prove the occurrence of a predicate offense, money laundering or terrorism financing.

#### **V. Measures taken by Reporting Institution**

This section is dedicated to the following topics:

- Conditions that led to the suspicion:

When, where and how (in which transaction, by which measure, through which monitoring..., or other conditions under which unusual or suspicious transactions or behavior were detected) a suspicious or unusual transaction or behavior were identified, and whether this happened while carrying out a specific transaction, conducting periodic monitoring of accounts, or by taking any other measure.

- Internal measures prior to reporting:

What are the internal measures taken since the suspicion arose, including those taken in implementation of internal measures or related to the nature and purpose of the relation with the customer, and any information given by the customer on the source of funds, beneficial owner, or purpose of the transaction, etc. Where this applies, any information about the likelihood of collusion, negligence or connivance of any employee in the institution should be provided, in addition to the measures taken accordingly.

- Post-reporting measures against customer:

Such as enhanced measures taken since the suspicion emerged, including due diligence measures or monitoring the customer accounts and transactions and approval thereof, and measures limiting disposal of funds, while taking care not to suggest to the customer that a suspicious transaction report will be filed.

## **VI. Documents Annexed to the Report**

Please list all documents that are provided together with the Suspicious Transaction Report Form, such as for example transaction records, account statements, identification documents for customers and beneficial owners, contracts to open accounts, as well as documents used to verify their identity, as well as correspondence with them. Reporting institutions are encouraged to provide as much documentation as possible to substantiate the information provided in this form.

**For any queries, please call the following number: 22466111**