



**Memorandum of Understanding between Kuwait Financial Intelligence
Unit and the Capital Markets Authority
on the Collaboration and Exchange of Information
Regarding Combating Money Laundering and Related Innovative
Offenses and Financing of Terrorism**

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Preface

The Kuwait Financial Intelligence Unit and the Capital Markets Authority have the authority to exchange information for the purposes of collaboration in the public interest with the objective of combating money laundering and related offenses and financing of terrorism.

Pursuant to the regulations and provisions of the relevant laws, in particular Law No. (106) of 2013 Regarding the Combating of Money Laundering and Financing of Terrorism, Ministerial Resolution No. (37) of 2013 on the issuance of the Executive Bylaws of Law No. (106) of 2013 and the Council of Ministers Resolution No. (1532) of 2013 Regarding the Kuwait Financial Intelligence Unit, and the Law No. (7) of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws and their amendments.

The Kuwait Financial Intelligence Unit (First Party) and the Capital Markets Authority (Second Party) have agreed to sign this Memorandum of Understanding in order to cooperate and exchange information on combating money laundering and related offenses and financing of terrorism.

First: Purpose of this Agreement

1. Establish a mechanism for the exchange of information between the First Party and the Second Party.
2. Establish a framework for collaboration and coordination between them.

Especially in relation to combating money laundering and the financing of terrorism, and in accordance with the relevant laws provided in this agreement.

Second: Scope of Information

1. Information that may be exchanged by the First Party and provided to the Second Party:
 - a. Deficiencies in the application of Law No. (106) and its Executive Bylaws, Ministerial Resolutions and instructions or any violation thereof which are revealed to the First Party through the notifications submitted by the entities subject to the supervision of the Second Party.
 - b. State the occurrences revealed to the First Party about deficiencies and violations in the examination and analysis of notifications submitted by the entities subject to the supervision of the Second Party.
 - c. The data and information available in the First Party's databases, automatically or upon request, where there are reasonable indications of suspicion that the funds

- are resulting from a crime or the funds are connected or related to it or can be used for money laundering or terrorism financing.
- d. Strategic analysis reports prepared within the framework of identifying risks related to money laundering and financing of terrorism.
2. Information that may be exchanged by the Second Party and provided to the First Party:
- a. The measures taken and the sanctions that the Second Party has applied to any of the units under its supervision with respect to deficiencies and violations that the First Party has already submitted to the Second Party.
 - b. Data and information available in the Second Party's databases, which the First Party deems necessary for the performance of its functions.
 - c. Strategic analysis reports prepared within the framework of identifying the risks associated with money laundering and financing terrorism.

Third: Exchange of Information Mechanism

1. Each Party shall entitle a person to whom is competent and delegated on his behalf for the purposes of the application of this Memorandum, according to Appendix No. (1).
2. The exchange of information shall be on the basis of an official letter, and shall be effective only when it is submitted by the persons specified under clause (1) of this Article.
3. The receiving Party must confirm receipt in writing and record a serial number of the request.
4. Information shall be exchanged on a case-by-case basis to be within a reasonable period of time.
5. The request shall contain all the necessary information required for the request, and shall fall within the jurisdiction of the First Party and the Second Party.
6. The information exchanged must be as accurate and clear as possible.
7. In case of emergency requests for the exchange of information, persons under clause (1) of this Article may use modern means of communication (e-mail) for the immediate exchange of information required, but this shall be followed by the submission of an official letter within two business days.
8. If a request for an exchange of information cannot be answered, the receiving Party shall notify the other Party in writing, with justification.

Fourth: Scope of the Use of Information

1. The information exchanged shall be used within the limits of the provisions of this Memorandum and / or the requirements set out in the request for information exchange.
2. Information exchanged shall be used within the framework of combating money laundering and related innovative offenses and financing of terrorism.
3. Information exchanged by the Parties of the Memorandum shall only be used by the Parties, and cannot be disclosed, or disclose its source, or revealed, or be re-sent to other parties except with the consent of the other Party.

Fifth: Confidentiality

1. Subject to confidentiality considerations:
 - a. All information exchanged between the First Party and the Second Party.
 - b. All requests for information submitted by one of the Parties of the Memorandum.
 - c. Any documents exchanged between the First Party and the Second Party.
 - d. The source of information exchanged whether the First Party, the Second Party or other parties related to the exchanged information.
2. The provisions of confidentiality shall apply to all staff of the Parties to this Memorandum and shall continue to be fulfilled after their termination for any reason, or even after the termination of this Memorandum.

Sixth: Collaboration

1. The First Party and the Second Party shall hold consultative meetings whenever necessary and at least once a year to enhance collaboration and improve the implementation of the provisions of this Memorandum.
2. The Second Party shall provide the First Party with detailed data of the compliance officers at the units under its supervision, such as name, contact number and e-mail address, and shall update such data as soon as they change.
3. The First Party and the Second Party shall review this Memorandum periodically or upon the issuance of any laws or amendments related to money laundering and financing of terrorism offenses, and with the consent of the First Party and the Second Party.

Seventh: Clarification and Termination of the Memorandum of Understanding

1. In the event of any disagreement or ambiguity about the understanding, interpretation or application of any matter related to the content of the Memorandum of Understanding,

the First Party and the Second Party shall endeavor to resolve this matter under the relevant laws and in light of the public interest.

2. No Party may terminate this Memorandum of Understanding except with the consent of the other Party.

Eighth: Entry into Force

1. This Memorandum of Understanding shall come into force on the date of its signature and shall remain in effect until a new Memorandum of Understanding replaces it.

First Party

Mr. Ghazi F. Al Abduljalil

Vice President of the KwFIU

Kuwait Financial Intelligence Unit

Second Party

Prof. Ahmad A. Al-Melhem

Chairman of CMA Board of Commissioners
Managing Director

Capital Markets Authority

Appendix (1): Specific Persons as on

The Financial Intelligence Unit:

1. Director of Legal Affairs Department
2. Director of Financial Analysis Department

The Capital Markets Authority:

1. Manager of Anti-Money Laundering & Combating Financing of Terrorism Section
2. Coordination & Follow-up Office – Supervision Sector
3. Coordination & Follow-up Office – Legal Affairs Sector

DISCLAIMER:

This “translation” from Arabic into English is provided solely for reference. No translation can exactly reflect every aspect of an original text and accordingly this “translation” may be used for guidance but not for legal purposes. Only the Arabic original shall be considered for legal proceedings and for legal actions before the competent courts of jurisdiction and in any arbitration mechanism agreed upon by contracting parties. The Capital Markets Authority shall not be responsible for any mistake, error and/or misinterpretation made or given by any party based on that party’s interpretation of this document.

The original Arabic version, as approved and accordingly published by the CMA, shall constitute the ultimate reference in case of any conflict or dispute.