

Resolution No. (16) of 2024

Regarding Amending Some Numbering of the Provisions of Module Sixteen (Anti-Money Laundering and Combating Financing of Terrorism) of the Executive Bylaws of Law No. 7 of 2010

Having Perused:

- Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and its Executive Bylaws, and their amendments; and
- CMA Board of Commissioners Resolution passed in its meeting No. (04) of 2024 held on 14/04/2024.

The Following Was Resolved

Article (1)

The numbering of some articles in Module Sixteen (Anti-Money Laundering and Combating Financing of Terrorism) of the Executive Bylaws of Law No. 7 of 2010 Regarding the Establishment of the Capital Markets Authority and Regulating Securities Activities and their amendments is hereby amended pursuant to Annex (1) attached to this Resolution.

Article (2)

The concerned bodies shall execute this Resolution, each within its jurisdiction. This Resolution shall come into force from the date of its issuance, and it shall be published in the Official Gazette.

Prof. Ahmad Almelhem

Issued on: 18/02/2024.

Annex (1)

#	Article	Text before amendment	Text after required amendment
1	Item 4 of Article (2-3)	<p>A Licensed Person is required to:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Apply client acceptance policies and procedures to undertake client due diligence measures as set out in the Articles from (3-1) to (3-19) of Chapter Three, ... <p>....</p>	<p>A Licensed Person is required to:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. Apply client acceptance policies and procedures to undertake client due diligence measures as set out in the Articles from (3-1) to (3-18) of Chapter Three, ... <p>....</p>
2	Article (3-1)	<p>For the purposes of implementing the provisions of these Bylaws, a Licensed Person should, prior to accepting any client, prepare a “Know Your Client” form containing the minimum information required in accordance with the Articles from (3-5), (3-6), (3-8), (3-12) and (3-13) of this Chapter.</p>	<p>For the purposes of implementing the provisions of these Bylaws, a Licensed Person should, prior to accepting any client, prepare a “Know Your Client” form containing the minimum information required in accordance with the Articles from (3-4), (3-5), (3-7), (3-11) and (3-12) of this Chapter.</p>
3	Item 1 of Article (3-5)	<p>CDD measures must be carried out on all clients, which require the Licensed Person to take the following steps:</p> <ol style="list-style-type: none"> 1. Identify and verify the identity of the client using the original documents prescribed with Article (3-8) in this Chapter. This shall also apply to all persons with signatory authority over the account. <p>...</p>	<p>CDD measures must be carried out on all clients, which require the Licensed Person to take the following steps:</p> <ol style="list-style-type: none"> 1. Identify and verify the identity of the client using the original documents prescribed with Article (3-7) in this Chapter. This shall also apply to all persons with signatory authority over the account. <p>...</p>

#	Article	Text before amendment	Text after required amendment
4	Article (3-6-1)	Notwithstanding the provisions of Article (3-6) of this Chapter...	Notwithstanding the provisions of Article (3-5) of this Chapter...
5	Article (3-6-2)	The Licensed Person to whom the exemption provided for in Article 3-7-1 of this Module...	The Licensed Person to whom the exemption provided for in Article 3-6-1 of this Module...
6	Article (3-6-3)	The provisions of Articles (1-7-3) and (3-7-2) of this Module shall apply...	The provisions of Articles (1-6-3) and (3-6-2) of this Module shall apply...
7	Article (3-8)	The Licensed Person, when verifying the Client's identity before opening an account or establishing a business relationship, may perform such procedures electronically using any modern means of communication, without the need to meet the client, provided it does not impact the integrity of the process and ability to qualify investors properly. The Licensed Person must comply with the provisions of Articles (3- 34) and (3- 35) of this Chapter.	The Licensed Person, when verifying the Client's identity before opening an account or establishing a business relationship, may perform such procedures electronically using any modern means of communication, without the need to meet the client, provided it does not impact the integrity of the process and ability to qualify investors properly. The Licensed Person must comply with the provisions of Articles (3- 34) and (3- 35) of this Chapter. (Amendment is in Arabic only)
8	Article (3-17)	Apart from the risk factors set out in Article (3-16) of this Chapter,	Apart from the risk factors set out in Article (3-15) of this Chapter,
9	Article (3-21)	If a Licensed Person determines that a Client or beneficial owner is a domestic PEP or a person who is has been entrusted with a prominent function by an international organization, the measures referred in Article (3-21) of this Chapter	If a Licensed Person determines that a Client or beneficial owner is a domestic PEP or a person who is has been entrusted with a prominent function by an international organization, the measures referred in Article (3-20) of this Chapter
10	Article (3-25) the licensed person need not verify the identity of the beneficial owners that are investing through the counterparty provided that the the licensed person need not verify the identity of the beneficial owners that are investing through the counterparty

#	Article	Text before amendment	Text after required amendment
		requirements of Article (3-7) of this Chapter are met.	provided that the requirements of Article (3-6) of this Chapter are met.
11	Article (3-27)	<p>A Licensed Person may rely on the third party to apply the requirements of paragraph (1, 2, and 3) of the CDD measures which are set out in Article (3-6) of this Chapter for Clients who have headquarters in the State of Kuwait, provided that the criteria set out in this Chapter are met. In all cases, the ultimate responsibility of client identification and verification always remains with the Licensed Person and not with the third party, with the application of Article (3-9) of this Chapter.</p>	<p>A Licensed Person may rely on the third party to apply the requirements of paragraph (1, 2, and 3) of the CDD measures which are set out in Article (3-5) of this Chapter for Clients who have headquarters in the State of Kuwait, provided that the criteria set out in this Chapter are met. In all cases, the ultimate responsibility of client identification and verification always remains with the Licensed Person and not with the third party, with the application of Article (3-8) of this Chapter.</p>
12	Article (3-32)	A Licensed Person must conduct annual reviews to ensure that the third party continues to conform to the standards set forth in Articles from (3-27) to (3-32) in this Chapter....	A Licensed Person must conduct annual reviews to ensure that the third party continues to conform to the standards set forth in Articles from (3-26) to (3-31) in this Chapter....
13	Article (3-38)	...Where the Authority advises the Licensed Person that such country insufficiently applies the FATF recommendations, the Licensed Person shall treat all business relationships and transactions from that county as high risk and shall apply the measures set out in Article (3-19) of this Chapter.	...Where the Authority advises the Licensed Person that such country insufficiently applies the FATF recommendations, the Licensed Person shall treat all business relationships and transactions from that county as high risk and shall apply the measures set out in Article (3-18) of this Chapter.