



**EXECUTIVE OFFICE OF
THE PRESIDENT**

OFFICE OF THE STATE HOUSE
SPOKESPERSON

**PRESS RELEASE
(FOR IMMEDIATE RELEASE)**

**KENYA SEEKS TO STRENGTHEN ANTI-MONEY LAUNDERING
FRAMEWORK**

The Cabinet has, through its delegated Committees structures, approved the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Bill 2023, and sanctioned its transmittal to Parliament, marking a significant step towards combating money laundering and enhancing Kenya's financial integrity.

The Bill comprehensively reviews laws related to anti-money laundering, anti-terrorism financing and counter-financing of proliferation of weapons of mass destruction.

The proposed amendments introduce several measures to detect and prevent money laundering activities in Kenya, including the supervision and enforcement of terrorism financing, reporting of suspicious transactions, transparency of beneficial ownership and combating terrorism financing.

Key benefits of the amendments include:

1. **Enhanced Customer Due Diligence:** Financial institutions and designated non-financial businesses and professions will be required to conduct thorough customer due diligence measures to identify and verify their customers. This will help in mitigating the risk of anonymous transactions and ensuring transparency in financial dealings.
2. **Strengthened Reporting Obligations:** Reporting entities will get the mandate to report suspicious transactions and activities to the Financial Reporting Centre (FRC) promptly. The FRC will analyse the reports and share intelligence with relevant law enforcement agencies that will, in turn, initiate investigations and take appropriate actions against money laundering perpetrators.
3. **Expanded Scope and Coverage:** The proposed amendments broaden the definition of money laundering offences to include a wider range of activities such as proceeds of domestic and international criminal activities and

terrorism financing. The legislation also addresses emerging threats in the digital and crypto-currency space, as well as dangers related to the financing of weapons of mass destruction.

4. **Increased Penalties and Deterrents:** The amendments introduce stricter penalties for individuals and entities found guilty of money laundering offences. This includes higher fines and extended prison terms that are expected to act as strong deterrents against illicit financial activities.

The Amendment Bill proposes legal and policy reforms to address technical compliance deficiencies identified in Kenya's second Anti-Money Laundering and Counter-Terrorism Financing Mutual Evaluation Report by the Eastern and Southern Africa Anti-Money Laundering Group. When enacted into law, the amendment Bill will strengthen the country's anti-money laundering and anti-terrorism financing regulations in line with global standards set by the Financial Action Task Force (FATF), an inter-governmental organisation with the mandate to set global standards to promote the effective implementation of legal, regulatory and operational measures in combating the three trans-national vices - money laundering, terrorism financing and weapons of mass destruction financing.

As a progressive member of the Community of Nations, Kenya acknowledges that money laundering poses a significant risk to the integrity of the financial system and the country's overall security. In that regard, by continually strengthening the anti-money laundering framework Kenya aims to safeguard its global competitiveness, foster the development of its economy by attracting ethical foreign investment, and deepen transparency within the financial system.

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