

New Kuwait

Ministry of Commerce and
Industry

Minister's Office

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Ministerial Resolution No. (25) of 2025

On the Rules and Procedures of the Violation Matrix, and the Measures and Penalties Related to Anti-Money Laundering and Combating Terrorism Financing for Designated Non-Financial Businesses and Professions (DNFBP)

The Minister of Commerce and Industry,

having reviewed:

- Law No. (16) of 1960 on the Promulgation of the Penal Code, as amended;
- Law No. (17) of 1960 on the Penal Procedure and Trials, as amended;
- Law Decree No. (38) of 1980 on the Civil and Commercial Procedure, as amended;
- Law Decree No. (67) of 1980 on the Promulgation of the Civil Code, as amended by Law No. 15 of 1996;
- Law Decree No. (68) of 1980 on the Promulgation of the Commercial Law, as amended;
- Law No. (106) of 2013 on Anti-Money Laundering and Combating the Financing of Terrorism, amended by Law No. 24 of 2016;
- Law No. (111) of 2013 on Business Licenses;

- Law No. (20) of 2014 on Electronic Transactions;
- Law No. (1) of 2016 on the Promulgation of the Companies Law, as amended;
- Law No. (103) of 2019 on the Practice of the Auditing Profession;
- Decree No. (191) of 2015 on the organization of the Ministry of Commerce and Industry, as amended;
- Decree No. (73) of 2024 on the formation of the Ministry of Commerce and Industry, as amended;
- Ministerial Resolution No. (37) of 2013 on the issuance of the Executive Regulations for Law No. (106) of 2013 on Anti-Money Laundering and Combating the Financing of Terrorism, as amended;
- Ministerial Resolution No. (411) of 2013 on the Executive Regulations of Law No. (111) of 2013 regarding Business Licenses, as amended;
- Ministerial Resolution No. (4) of 2014 on the formation of the Special Committee for the Implementation of the Resolutions Issued by the Security Council under Chapter VII of the United Nations Charter related to combating terrorism, amended by Ministerial Resolution No. (31) of 2015;
- Ministerial Resolution No. (48) of 2014 on the issuance of the Executive Regulations of Law No. 20 of 2014 on Electronic Transactions;
- Ministerial Resolution No. (287) of 2016 on the issuance of the Executive Regulations of Law No. 1 of 2016 on the Companies Law, as amended;
- Administrative Resolution No. (430) of 2018 on the formation of a task force to prepare a sanctions and measures matrix based on the provisions of the law;

- Ministerial Resolution No. (430) of 2016 on the regulations governing the activities of institutions and companies that practice real estate brokerage and real estate offices with regards to anti-money laundering and combating terrorism financing;
- Ministerial Resolution No. (431) of 2016 on the regulations governing the operations of institutions and companies engaged in the trade of gold, precious stones, and precious metals with regards to anti-money laundering and combating terrorism financing;
- Ministerial Resolution No. (323) of 2019 regarding the establishment of an electronic and commercial contract system in accordance with the requirements of anti-money laundering and combating terrorism financing;
- Ministerial Resolution No. (13) of 2020 on the issuance of the Executive Regulations of Law No. 103 of 2019 concerning the Practice of the Auditing Profession, amended by Resolution No. 183 of 2023;
- Ministerial Resolution No. (164) of 2020 regarding the Regulation of the Practice of Real Estate Brokerage, as amended;
- Ministerial Resolution No. (180) of 2020 on the issuance of regulations for professional companies providing accounting services, amended by Ministerial Resolution No. 118 of 2021;
- Ministerial Resolution No. (192) of 2020 on the Appointment of a Compliance Officer for entities under the Supervision of the Ministry of Commerce and Industry, pursuant to the requirements of Law No. 106 of 2013 on Anti-Money Laundering and Combating the Financing of Terrorism;

- Ministerial Resolution No. (139) of 2021 on the rules and procedures for the matrix of violations, sanctions, and measures applicable to financial institutions and designated non-financial businesses and professions under the supervision of the Ministry of Commerce and Industry with regards to anti-money laundering and combating terrorism financing;
- Ministerial Resolution No. (141) of 2023 on the Executive Regulations of the Special Committee for the Implementation of the Resolutions Issued by the Security Council under Chapter VII of the United Nations Charter related to combating terrorism and the financing of the proliferation of weapons of mass; and
- The proposal of the Undersecretary of the Ministry,

In consideration of the public interest,

By virtue of the powers vested in me,

It has been resolved that:

Article 1

For the purposes of implementing the provisions of this Resolution, the definitions set forth in Article 1 of Law No. 106 of 2013 on Anti-Money Laundering and Combating the Financing of Terrorism shall form an integral part of this Resolution, along with the following additional definitions:

- **Low-risk violations:** Violations committed unintentionally that do not harm reputation and are extremely limited in scope, classified as low-risk.
- **Medium-risk violations:** Violations that pose a moderate reputational risk and are classified as medium-risk.

- **High-risk violations:** Violations that pose a significant reputational risk at both the local and international levels and are classified as high-risk.

Article 2

Violations shall be classified based on the provisions of Law No. (106) of 2013 on Anti-Money Laundering and Combating the Financing of Terrorism, its Executive Regulations, and the relevant ministerial resolutions, according to the type of violation and its level of risk, as follows:

1. Low-Risk Violations

In accordance with Article (15) of the aforementioned law, one of the prescribed precautionary measures shall be applied as per the following table:

Violation	Applicable Measures and Penalties
Failure to implement due diligence procedures for invoices below 3,000 Kuwaiti Dinars as a result of an unintentional error	<ul style="list-style-type: none">- If the number of invoices is less than 50, a warning in writing is issued.- If the number of violating invoices exceeds 50, a mandatory compliance order of specified measures is imposed, along with a one-month license suspension.
Failure to conduct a continuous training program for the entity employees to ensure their awareness of the AML/CFT requirements	<ul style="list-style-type: none">- Written warning for the first violation. In case of repetition, penalty is then escalated to a mandatory compliance order of specified measures along with a one-month license suspension.
Executing a transaction based on incomplete or inaccurate documentation without strong indications of suspicious activities (e.g., missing payment method on invoices, absence of electronic payment receipts, failure to include all required details in invoices)	<ul style="list-style-type: none">- Written warning for the first violation. In case of repetition, penalty is then escalated to a mandatory compliance order of specified measures along with a one-month license suspension.

Violation	Applicable Measures and Penalties
	If repeated a third time, the license is suspended for three months.
Failure to comply with any other obligations related to regulations and resolutions issued by the Ministry of Commerce and Industry and the Kuwait Financial Intelligence Unit	- Written warning for the first violation. If repeated, the license is suspended for three months.

2. Moderate-Risk Violations

Financial penalties ranging from **500 Kuwaiti Dinars** to a maximum of **3,000 Kuwaiti Dinars** shall be imposed as outlined in the following table:

Violation	Applicable Measures and Penalties
Handling cash exceeding 3,000 Kuwaiti Dinars	<ul style="list-style-type: none">- 1,000 Kuwaiti Dinar penalty for total invoices shall be imposed if the total number of violating invoices is less than 50.- If the number of violating invoices is more than 50, a 3,000 Kuwaiti Dinar penalty shall be imposed for total invoices.
Failure to appoint a Kuwaiti compliance officer familiar with AML/TF laws and relevant ministerial resolutions, and failure to report updates to the Department on the appointee.	<ul style="list-style-type: none">- Mandatory compliance order of appointing an officer shall be issued. A 500 Kuwaiti Dinar penalty shall be imposed for repeated violations.
Failure to implement due diligence procedures for invoices exceeding 3,000 Kuwaiti Dinars	<ul style="list-style-type: none">- 1,000 Kuwaiti Dinar penalty for total invoices shall be imposed if the total number of violating invoices is less than 50.

Violation	Applicable Measures and Penalties
	<p>- If the number of violating invoices is more than 50, a 3,000 Kuwaiti Dinar penalty shall be imposed for total invoices.</p>
Failure by the entity to keep the financial records for five years	<p>- 1,000 Kuwaiti Dinar penalty shall be imposed.</p>
Failure to terminate customer relationships when due diligence measures cannot be implemented	<p>- A mandatory compliance order shall be issued.</p> <p>- A 500 Kuwaiti Dinar penalty shall be imposed for repeated violations.</p>
Failure to comply with establishing internal AML/TF policies, procedures, and regulations and circulating them to both domestic and foreign branches (if applicable)	<p>- 500 Kuwaiti Dinar penalty shall be imposed.</p> <p>- Repeated violations shall result in a 1,000 Kuwaiti Dinar penalty and license suspension pending correction.</p>
Failure to disseminate AML/TF awareness materials to the entity employees	<p>- A mandatory compliance order of specified measures shall be issued.</p> <p>- A 500 Kuwaiti Dinar penalty shall be imposed for repeated violations.</p>

Violation	Applicable Measures and Penalties
Failure to utilizing an electronic invoicing system and handling invoices manually in the entity	<ul style="list-style-type: none"> - A mandatory compliance order of specified measures shall be issued. - A 500 Kuwaiti Dinar penalty shall be imposed for repeated violations.
Failure by the entity to identify the beneficial owner of the purchase transaction and retain the beneficial ownership structure.	<ul style="list-style-type: none"> - A written warning shall be issued. - A 500 Kuwaiti Dinar penalty shall be imposed for repeated violations.

3. High-Risk Violations

Financial penalties ranging from **4,000 Kuwaiti Dinars** to a maximum of **10,000 Kuwaiti Dinars**, as outlined in the following table:

Violation	Applicable Measures and Penalties
Failure to notify the Committee for the Implementation of UN Security Council Resolutions at the Ministry of Foreign Affairs within 3 working days when refusing a service due to a client being listed on sanctions lists	<ul style="list-style-type: none">- A mandatory compliance order of specified measures shall be issued, along with a 5,000 Kuwaiti Dinar penalty.- If repeated, the violator is banned from working in the relevant sector for one year.
Failure by the entity to devise a method for informing its employees about the individuals listed on local and international sanctions lists, and non-compliance with the instructions of the Ministry of Foreign Affairs and the Ministry of Commerce and Industry	<ul style="list-style-type: none">- A mandatory compliance order of specified measures shall be issued, along with a 4,000 Kuwaiti Dinar penalty.- If repeated, a penalty of 8,000 Kuwaiti Dinars shall be imposed.
Providing services to individuals listed on local and international sanctions lists	<ul style="list-style-type: none">- A mandatory compliance order of specified measures shall be issued,

Violation	Applicable Measures and Penalties
	<p>along with an 8,000 Kuwaiti Dinar penalty.</p> <p>If repeated, the license shall be revoked.</p>
<p>Failure to report client information to the Kuwait Financial Intelligence Unit within 2 working days when there is suspicion that funds are derived from or related to money laundering, while maintaining confidentiality of the report</p>	<p>- A 5,000 Kuwaiti Dinar penalty shall be imposed.</p> <p>If repeated, a 10,000 Kuwaiti Dinar penalty shall be imposed.</p>
<p>Failure to implement enhanced due diligence measures for politically exposed persons (PEPs)</p>	<p>- If the total number of violating invoices is less than 50, a 4,000 Kuwaiti Dinar penalty shall be imposed.</p> <p>- If the total number of violating invoices is more than 50, an 8,000 Kuwaiti Dinar penalty shall be imposed.</p>

Violation	Applicable Measures and Penalties
Failure to submit the risk assessment study of the entity	<ul style="list-style-type: none">- A 500 Kuwaiti Dinar penalty shall be imposed.- If repeated, the penalty is doubled to 1,000 Kuwaiti Dinars

Article 3

Financial penalties are not intended to harm the violating party but are imposed to ensure compliance. Penalties may be reduced based on the severity of the violation, as shown in the previous tables. However, requests for penalty reductions will only be considered if supported by clear, complete, and verifiable evidence, including all necessary documents proving the validity of the request.

Article 4

Ministerial Resolution No. 139 of 2021 regarding the matrix of violations and penalties for financial institutions and designated non-financial businesses and professions under the supervision of the Ministry of Commerce and Industry, related to anti-money laundering and combating terrorism financing, is hereby repealed. Additionally, any other resolution that conflicts with this Resolution is also revoked.

Article 5

Ministry officials—each within their respective responsibilities—shall implement this Resolution, which shall be published in the Official Gazette and shall come into effect from the date of its publication.

Khalifa Abdullah Al-Ajeel
(Signature)
Minister of Commerce and Industry

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