



وزارة التجارة والصناعة
Ministry of Commerce & Industry
State of Kuwait دولة الكويت

Regulatory Controls and Procedures for Compliance with the Requirements of the Anti-Money Laundering and Combating the Financing of Terrorism Department at the Ministry of Commerce and Industry for the Gold, Precious Stones, and Precious Metals Sector

• Electronic Payment and Prohibition of Cash Transactions

Cash payments are strictly prohibited in all sale and purchase transactions. Payments shall be made exclusively through electronic payment methods approved by the Central Bank of Kuwait, including **Apple Pay, K-Net, WAMD, Link**, or any other electronic payment methods that may be approved in the future.

• Invoices for Transactions Between Gold, Precious Stones, and Precious Metals Traders

In the event of sale and purchase transactions between gold, precious stones, and precious metals establishments, the following requirements must be observed:

- A sales or purchase invoice must be issued for every transaction.
- Payment must be made exclusively through electronic payment methods.
- Cash transactions are strictly prohibited.
- For all transactions conducted between establishments, a copy of the commercial license of the establishment must be attached.
- The exchange of gold between customers and gold, precious stones, and precious metals traders is prohibited.
- The supply and transfer of gold between retail shops, workshops, and wholesale establishments shall be permitted, provided that all transaction details are documented and recorded, including the transaction date, gold weight, purity, and value. Such transfers must not result in the transfer of ownership or constitute a sale of the gold.



• Customer Due Diligence (CDD) Procedures

Customer Due Diligence procedures shall be applied to all sale and purchase transactions and shall include the following information:

- Basic information (full name, Civil ID number, and telephone number).
- Passport number for non-Kuwaiti individuals.
- A copy of the Civil ID card or passport (for non-Kuwaitis) must be retained for transactions exceeding **KWD 3,000**.

4. Enhanced Due Diligence (EDD) Procedures

Enhanced Due Diligence measures shall be applied only to transactions exceeding **KWD 3,000** and to high-risk cases, including:

1. Politically Exposed Persons (PEPs)

Pursuant to **Law No. 106 of 2013** and its Executive Regulations, Politically Exposed Persons include heads of state or government, senior politicians, senior government, judicial or military officials, senior executives of state-owned enterprises, senior officials of political parties, and persons who currently or previously held senior management positions in international organizations, such as directors, deputy directors, and board members.

This term also includes family members up to the second degree and close associates.

2. Individuals from High-Risk Jurisdictions

(High-risk countries are published and periodically updated by the Kuwait Financial Intelligence Unit.)



In such cases, the reporting entity shall be required to:

- Complete a **Know Your Customer (KYC)** form.
- Retain a clear copy of the Civil ID or passport together with the invoice (regardless of size or placement on the invoice).
- Obtain additional information supporting the understanding of the nature of the transaction and the source of funds when necessary.

• **KYC Form Requirements**

The Know Your Customer (KYC) form shall be required only for:

- Politically Exposed Persons (PEPs); or
- Individuals from high-risk countries;

for invoices exceeding **KWD 3,000**.

There is no requirement for a standardized form. Each establishment may design its own form, provided that it includes, at a minimum, the following information:

- Basic information (full name, nationality, Civil ID number or passport number, telephone number, occupation, and employer).
- Purpose of the transaction (e.g., gift, investment, personal use, etc.).
- Source of funds (salary, inheritance, dowry, loan, investment returns, etc.).
- Customer signature and date of completion of the form.

• **Beneficial Owner of the Purchase Transaction**

If the person conducting the purchase or payment is not the actual beneficial owner of the transaction (e.g., gifts, purchases made on behalf of another person, representatives acting on behalf of a shop, or similar situations), the beneficial owner's information must be maintained in a separate electronic register in **Excel format**, linked to the daily invoices available for review by the Ministry of Commerce and Industry.



The beneficial owner's details shall not be included on the invoice itself but shall instead be maintained in a separate file containing at least:

- Name of the beneficial owner.
- Reason for the beneficial owner's absence or inability to conduct the transaction personally.
- Nature of the relationship between the purchaser and the beneficial owner.
- Invoice number associated with the transaction.
- Transaction date.

This requirement is intended to facilitate the identification of the beneficial owner and maintain independent records supporting compliance procedures.

• Accounting Records and Inventory

Daily sales operations and annual inventory counts must be maintained through an electronic system.

The use of paper ledgers is discontinued, and only electronic records or **Excel files** prepared for this purpose shall be used.

• Deficiencies or Failure to Submit Policies and Risk Assessments

Where a policy document or risk assessment is incomplete, or where such documents are not submitted, a violation shall be recorded against both the establishment and the Compliance Officer.

Penalties shall be imposed in accordance with the approved sanctions matrix.

• Obligation to Report Suspicious Transactions

Where any suspicious indicator listed in the **Reporting Indicators Guide** for the Gold, Precious Stones, and Precious Metals Sector, published on the Ministry's AML portal (aml.moci.gov.kw), is identified, a Suspicious Transaction Report (STR) must be submitted



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to the **Kuwait Financial Intelligence Unit (goAML)** within a period not exceeding **two working days**.

Furthermore, establishments are reminded of the importance of verifying the accuracy and completeness of information before submitting reports to the Kuwait Financial Intelligence Unit. Reports should be based on clear indicators of suspicion and supported by complete and documented information to avoid the submission of inaccurate or unsupported reports.

If a suspicious indicator is identified during a field or desk inspection conducted by a Ministry employee and the establishment has failed to report it within the required two working days, a financial penalty of **KWD 5,000** shall be imposed on the establishment.

Payment of the penalty does not relieve the establishment of its obligation to submit the required report.

Note: Repeated small transactions conducted within short periods of time shall be considered a suspicious indicator.

• **GOAML Platform**

The Compliance Officer shall be responsible for obtaining the login credentials for the **goAML Platform** operated by the Kuwait Financial Intelligence Unit and for attending relevant workshops and training programs.

Failure to comply shall result in the application of sanctions in accordance with the approved sanctions matrix.

• **Monitoring Individuals Listed on Local and International Sanctions Lists**

The Compliance Officer shall register in the Ministry of Foreign Affairs electronic system designated for monitoring persons listed on international sanctions lists through the following link:

<https://www.mofa.gov.kw/ar/CTC/mailling-list>



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Where a listed person submits a request to buy or sell, the establishment must immediately refrain from providing any service and send an email notification to the Ministry of Foreign Affairs at:

ctc@mofa.gov.kw

with a copy to the Ministry of Commerce and Industry, informing them of the request for service for their information and appropriate action.

Note: Sale and purchase transactions may be conducted with all customers except individuals listed on local or international sanctions lists, provided that all applicable legal and regulatory requirements, verification procedures, due diligence measures, and other applicable controls have been satisfied before completing the transaction.