



REPUBLIC OF KENYA
FINANCIAL REPORTING CENTRE
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FINANCIAL REPORTING CENTRE CIRCULAR NO. 1 OF 2025

March 6, 2025

TO: CHIEF EXECUTIVES OF REPORTING INSTITUTIONS

Dear Sirs/Madams,

GUIDANCE TO IMPLEMENT TARGETED FINANCIAL SANCTIONS PURSUANT TO UNITED NATIONS SECURITY COUNCIL RESOLUTIONS 1267/1989, 1988 & 1373

1 Background

- 1.1 The Prevention of Terrorism Act (Cap.59B)(hereinafter “the Act”) is the primary legislation that provides for the implementation of Targeted Financial Sanctions (TFS) pursuant to the United Nations Security Council Resolutions (UNSCRs) 1267, 1373, 1718 and 1988, resolutions relating to the suppression of terrorism financing and the prevention, suppression and disruption of the proliferation of, and financing of, dealings with weapons of mass destruction and such other related resolutions in accordance with the Act.
- 1.2 In efforts to align with the Financial Action Task Force (FATF) standards, Kenya has over the recent past revised the Regulations on the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Suppression of Terrorism) to strengthen the implementation of TFS related to terrorism and terrorism financing.

1.3 The most recent amendments were made through Legal Notice No. 187 of 2024, which was gazzeted on 20th November 2024. This notice revoked the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on the Suppression of Terrorism) Regulations, 2023, which had been issued under Legal Notice No. 152 of 2023. The new regulations, the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on the Suppression of Terrorism) Regulations, 2024 (POT-TF Regulations) commenced on 20th December 2024 and are available at the Financial Reporting Centre's website <https://frc.go.ke>.

2 Some of the Key Changes in the POT-TF Regulations

- 2.1 The POT-TF Regulations have, among others things, streamlined the process of communicating disseminations on updates to the relevant UNSC sanction lists and domestic list to ensure implementation of TFS measures “without delay,” i.e. within twenty-four hours of a designation by the United Nations Security Council or its relevant Sanctions Committee, or within twenty-four hours of a designation by the Counter Financing of Terrorism Inter-Ministerial Committee (the Committee).
- 2.2 The POT-TF Regulations provide reporting institutions with the authority to freeze funds, property or other assets of a designated person or entity, until further notice. In addition, the POT-TF Regulations prohibit the making of any funds or other assets, economic resources or financial or other related services available or for the designated persons or entities.
- 2.3 The POT-TF Regulations also set out other measures relating to the effective implementation of TFS obligations, including reporting frozen funds and other assets to the Committee through its Secretary, the Director General of the Financial Reporting Centre. The Regulations also require reporting institutions to develop procedures for implementing these obligations.

3 Guidance to Implement Targeted Financial Sanctions Pursuant to United Nations Security Council Resolutions 1267/1989, 1988 & 1373

- 3.1 To assist reporting institutions to understand and comply with their obligations, the Financial Reporting Centre hereby issues “*Guidance to Implement Targeted Financial Sanctions Pursuant to United Nations Security Council Resolutions 1267/1989, 1988 & 1373.*”
- 3.2 The Guidance provides comprehensive instructions to ensure compliance with the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on the suppression of Terrorism) Regulations, 2024 (POT-TF Regulations), which commenced on 20th December 2024.
- 3.3 The Guidance also provides responsibilities of reporting institutions in identifying, freezing and reporting funds, property, assets linked to designated individuals and entities.

4 Directive to Reporting Institutions

- 4.1 Based on the foregoing, the Centre hereby directs reporting institutions to:
- - 4.1.1 take note of the issuance of the new Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on the suppression of Terrorism) Regulations, 2024 (POT-TF Regulations), which commenced on 20th December 2024;
 - 4.1.2 review and update existing policies and procedures to align them with the new requirements as set out in the POT-TF Regulations;
 - 4.1.3 ensure compliance with the TFS requirements as provided for in the POT-TF Regulations; and

4.1.4 ensure that reporting institutions provide the necessary support to ensure effective implementation of the requirements.

5 Non-compliance with targeted financial sanctions obligations is an offense under Regulation 33 of POT-TF Regulations.

6 For any queries or further assistance, please contact the Financial Reporting Centre through 0709858000 or tfs@frc.go.ke.

Please be guided accordingly.



SAITOTI K. MAIKA, MBS
DIRECTOR GENERAL, FINANCIAL REPORTING CENTRE AND SECRETARY TO
COUNTER FINANCING OF TERRORISM INTER-MINISTERIAL COMMITTEE

cc **The Governor**
Central Bank of Kenya
NAIROBI

The Chief Executive Officer
Insurance Regulatory Authority
NAIROBI

The Chief Executive Officer
Betting Control and Licensing Board
NAIROBI

The Chief Executive Officer
Capital Markets Authority
NAIROBI

The Chief Executive Officer
Sacco Societies Regulatory Authority
NAIROBI

The Chief Executive Officer
Retirement Benefits Authority
NAIROBI

The Chairperson
Estate Agents Registration Board
NAIROBI

The Chief Executive Officer
Institute of Certified Public Accountants of Kenya
NAIROBI

The Chief Executive Officer
The Law Society of Kenya
Nairobi

