



REPUBLIC OF KENYA
FINANCIAL REPORTING CENTRE
OLD MUTUAL TOWERS, UPPER HILL, UPPER HILL ROAD
PRIVATE BAG 00200, NAIROBI TEL: +254 709858000

FINANCIAL REPORTING CENTRE CIRCULAR NO. 3 OF 2025

July 7, 2025

TO: CHIEF EXECUTIVES OF REPORTING INSTITUTIONS

Dear Sirs/Madams,

GUIDANCE ON THE IMPLEMENTATION TARGETED FINANCIAL SANCTIONS FOR REPORTING INSTITUTIONS

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 While a *Guidance to Implement Targeted Financial Sanctions Pursuant to United Nations Security Council Resolutions 1267/1989, 1988 & 1373* was issued in March 2025 and *Financial Reporting Centre Circular No. 13 of 2023* issued in November 2023, the Financial Reporting Centre (Centre) has revised the guidance to consolidate targeted financial sanctions related to

both terrorism financing and proliferation financing for ease of reference and guidance.

2 *Guidance on the Implementation of Targeted Financial Sanctions for Reporting Institutions (Revised July 2025)*

- 2.1 The revised guidance provides practical and actionable instructions to reporting institutions on implementing the legal framework for targeted financial sanctions in compliance with: -
 - 2.1.1 The Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Suppression of Terrorism) Regulations, 2024 (POT-TF Regulations); and
 - 2.1.2 The Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Prevention, Suppression and Disruption of Proliferation Financing) Regulations, 2023 (POT-PF Regulations).

3 Some of the Key Revisions

- 3.1 The *Guidance to Implement Targeted Financial Sanctions Pursuant to United Nations Security Council Resolutions 1267/1989, 1988 & 1373* issued in March 2025 only covered targeted financial sanctions that relate to terrorism financing but it has now been revised to incorporate targeted financial sanctions that relate to proliferation financing.
- 3.2 The Guidance has now been expanded to include sectoral examples as annexes and thus providing sectoral specificities, to assist different sectors appreciate how to apply targeted financial sanctions measures in their sectors to enhance implementation as necessary.
- 3.3 The revised guidance also now covers communication channels of designations, amendments or delisting which guides reporting institutions on how they can access the Targeted Financial Sanctions Notices, circulated by the Secretary to the Counter Financing of Terrorism Inter-Ministerial Committee (Committee) to ensure timely implementation of targeted financial sanctions measures.
- 3.4 The revised guidance has included a section on handling matches to assist reporting institutions understand the actions that they are required to take

where they establish a target match, how to deal with potential matches, as well as false positives.

- 3.5 The revised guidance has incorporated administrative sanctions for targeted financial sanctions in relation to proliferation financing, amendments that have been incorporated in the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Prevention, Suppression and Disruption of Proliferation Financing) Regulations, 2023 through the Prevention of Terrorism (Implementation of the United Nations Security Council Resolutions on Prevention, Suppression and Disruption of Proliferation Financing) (Amendment) Regulations, 2024.

4 Guidance for the Public on Targeted Financial Sanctions in the Republic of Kenya

- 4.1 A similar guidance, “*Guidance for the Public on Targeted Financial Sanctions in the Republic of Kenya*” has been issued to the public communicating their targeted financial sanctions obligations under the Act, and its attendant regulations.
- 4.2 The public guidance also guides how to access the circulations from the Committee and the relevant sanction lists.
- 4.3 It also guides members of the public on how to apply for a claim to have *bona fide* rights to frozen funds or other assets for exclusion of their interest from the freezing order.
- 4.4 It guides on how to apply for delisting under different sanction regimes.
- 4.5 Lastly, it guides on how to seek authorization to have access to frozen funds.

5 Directive to Reporting Institutions

- 5.1 Based on the foregoing, the Centre hereby directs reporting institutions to: -
- 5.1.1 take note of the Guidance and enhance existing measures and controls to ensure compliance with the targeted financial sanctions obligations as provided for in the POT-TF Regulations and POT-PF Regulations.
- 5.1.2 Ensure that reporting institutions provide the necessary support to ensure effective implementation of targeted financial sanctions requirements.
- 6 For any clarifications or further guidance, please contact the Centre through 0709858000 or tfs@frc.go.ke.

Please be guided accordingly.



SAITOTI K. MAIKA, MBS
DIRECTOR GENERAL, FINANCIAL REPORTING CENTRE

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
Institute of Certified Secretaries
NAIROBI

The Director of Mines
State Department for Mining
NAIROBI

