

**BANKI
KUU YA
KENYA**



**CENTRAL
BANK OF
KENYA**

**Haile Selassie Avenue
P.O. Box 60000-00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192**

October 10, 2017

BANKING CIRCULAR NO. 4 OF 2017

TO CHIEF EXECUTIVES OF COMMERCIAL BANKS AND MORTGAGE FINANCE COMPANIES

THE IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTION (UNSCR 2206) OF 2015 AND ITS SUCCESSOR RESOLUTIONS (UNSCR 2290) OF 2016 AND (UNSCR 2353) OF 2017

BACKGROUND

In 2015, the United Nations (UN) Security Council adopted UN Security Council Resolution (UNSCR 2206) of 2015. This followed concern on the rapidly deteriorating security situation as well as the safety and security of innocent civilians, who have borne the negative impact of the armed conflict in South Sudan.

SANCTIONS UNDER UNSCR 2206 (2015)

UNSCR 2206 (2015) designated the following six South Sudanese nationals for human rights violations and continued participation and involvement in the armed conflict in South Sudan:

1. James Koang Chuol (Commander of the Sudan People's Liberation Army (SPLA) in Opposition).
2. Simon Gatwech Dual (Chief of General Staff, SPLA in Opposition).
3. Peter Gadet (Deputy Chief of Staff for Operations, SPLA in Opposition).
4. Gabriel Jok Riak (Commander, Sudan People's Liberation Army's SPLA).
5. Marial Chanuong Yol Mangok, Sudan People's Liberation Army's SPLA).
6. Santino Deng Wol (Commander, Sudan People's Liberation Army's SPLA).

Under the Resolution, all the designated individuals are subject to sanctions which comprise of a travel ban and an asset freeze on all funds, financial assets and economic resources belonging to the designated individuals or to any other person or entity related to the designated individuals.

Commercial banks and mortgage finance companies are directly affected by Paragraph 12 of the UNSCR 2206 (2015) which requires UN member states to effect an asset freeze without delay on any individuals or entities designated for sanctions under the Resolution.

It provides that...

“The Security Council

Decides for an initial period of one year from the date of adoption of this resolution, all Member States shall freeze without delay all funds, other financial assets and economic resources which are on their territories, which are owned or controlled, directly or indirectly, by any individuals or entities that may be designated by the Committee, or by any individuals or entities acting on their behalf or at their direction, or by entities owned or controlled by them, and decides further that all Member States shall for this initial period ensure that neither these nor any other funds, financial assets or economic resources are made available, directly or indirectly for such persons' benefit, by their nationals or by persons within their territory”

Institutions are advised to note that these sanctions took effect from the date of the adoption of UNSCR 2206 on March 3, 2015 and were subsequently renewed for a period of one year each under UNSCR 2290 of 2016 and UNSCR 2353 of 2017 which now extends the asset freeze to the period ending May 31, 2018.

ACTION REQUIRED BY FINANCIAL INSTITUTIONS

In view of UNSCR 2206 (2015) all institutions are required to:

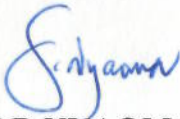
- 1) Access and obtain copies of the following UN Security Council Resolutions on South Sudan:
 - i. UN Security Council Resolution (UNSCR 2206) (2015)
<http://unscr.com/en/resolutions/doc/2206>
 - ii. Listing of designated South Sudanese nationals subject to sanctions under (UNSCR 2206) (2015)
<https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/southsudan.xsl>
 - iii. UN Security Council Resolution No. 2290 (2016)
<http://unscr.com/en/resolutions/doc/2290>

iv. UN Security Council Resolution No. 2353 (2017)

<http://unscr.com/en/resolutions/doc/2353>

- 2) Carefully read and internalize the content and requirements of these Resolutions.
- 3) Immediately take steps to implement the UNSCR 2260 of 2015 and its successor resolutions by:
 - i. Identifying any of the designated individuals.
 - ii. Identifying any funds, financial assets and economical resources belonging to the designated individuals or to any other person or entity related to the designated individuals.
 - iii. Freezing any funds, financial assets and economic resources owned or controlled directly or indirectly by the designated persons or entities owned, controlled, directly or indirectly by the designated person, or by other persons on their behalf.
 - iv. Identifying any Kenyan national who has availed any funds, financial assets and economic resources to the designated persons or entities associated with the designated persons.
- 4) Report to CBK by **November 5, 2017** on the steps taken to implement (UNSCR 2206) of 2015 as read together with the successor resolutions (UNSCR 2290) of 2016 and (UNSCR 2353) of 2017.

Yours faithfully,



GERALD NYAOMA

DIRECTOR, BANK SUPERVISION DEPARMENT

cc. Chief Executive Officer

Kenya Bankers Association

International Life House, 13th Floor

P.O. Box 73100-00200

Mama Ngina Street

NAIROBI