

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

9th October 2012

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

BANKING CIRCULAR NO. 7 OF 2012

TO: ALL CHIEF EXECUTIVES OF COMMERCIAL BANKS, NON-BANK FINANCIAL INSTITUTIONS AND MORTGAGE FINANCE COMPANIES

SUSPICIOUS TRANSACTION REPORTS (STRs)

1. Background

Following the operationalization of the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), 2009 (Act No. 9 of 2009) on June 28, 2010, commercial banks, non-bank financial institutions and mortgage finance companies were advised to continue to submit Suspicious Transaction Reports (STRs) to the Central Bank of Kenya. This was in accordance with the Guideline on the Proceeds of Crime and Money Laundering Prevention (CBK/PG/08) which provided for such reporting pending the establishment of the Financial Reporting Centre (FRC) and issuance of guidance on submission of Suspicious Transaction Reports to the Centre under POCAMLA.

2. Establishment of the Financial Reporting Centre

The FRC is established under Section 21 of POCAMLA. The FRC is an independent body whose principal objective is to assist in the identification of the proceeds of crime and the combating of money laundering. The FRC was formally operationalized on 12th April 2012. Under Section 24 of POCAMLA, the FRC has extensive functions and powers, including receiving and analysis of reports of unusual or Suspicious Transactions made by Reporting Institutions. The FRC is also empowered to develop Regulations on Anti-Money Laundering to provide guidance to support the implementation of POCAMLA.

3. Reporting of Suspicious Transactions

Section 44(2) of POCAMLA requires Reporting Institutions to report suspicious transactions to the FRC. In light of the fact that the FRC has now been established and is operational, the purpose of this circular, which is issued under the Banking Act, is to require all commercial banks, non-bank financial institutions and mortgage finance companies, with effect from 10th

October 2012, to forward all Suspicious Transactions Reports (STRs) to the FRC at the following address:

The Interim Director

Financial Reporting Centre
CBK Pension Fund Building (Former Marshalls House)
Harambee Avenue
P.O. Box 60000 – 00200

NAIROBI

TEL: 2861600

Email: kitilijm@centralbank.go.ke or ruttodc@centralbank.go.ke

To facilitate the submissions to the FRC, you are advised to utilize the reporting format provided for Suspicious Transaction Reports in the CBK/PG/08 until such a time that the FRC will further advise on the format to be used.

In the event of any query or clarification, kindly direct the same to **The Interim Director, Financial Reporting Centre** at the above given address or to:

The Director,

Bank Supervision Department
Central Bank of Kenya
P. O. Box 60000 - 00200

NAIROBI

Tel: 286000

Email: fin@centralbank.go.ke



PETER GATERE

ASSISTANT DIRECTOR, BANK SUPERVISION

cc: **Chief Executive Officer**
Kenya Bankers Association
Transnational Plaza
NAIROBI

The Interim Director,

Financial Reporting Centre
CBK Pension Fund Building (Former Marshalls House)
Harambee Avenue
P.O. Box 60000 – 00200

NAIROBI