

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

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

19<sup>th</sup> March 2015

## BANKING CIRCULAR NO. 2 OF 2015

TO CHIEF EXECUTIVES OF COMMERCIAL BANKS, MORTGAGE FINANCE COMPANIES AND MICROFINANCE BANKS

### IMPLEMENTATION OF THE UN SECURITY COUNCIL RESOLUTIONS ON SUDAN

#### BACKGROUND

Since 2004, Sudan has been subjected to a number of sanctions due to violence and violations of human rights and international humanitarian law in Darfur. In 2005 the United Nations Security Council vide Resolution 1591(2005) imposed certain sanctions against Sudan. Clause 3(e) of the said Resolution provides that:

*“that all states shall freeze all funds, financial assets and economical resources that are on their territories on the date of adoption of this resolution or at any time thereafter, that are owned or controlled, directly or indirectly, by the persons designated by the Committee pursuant to subparagraph (c) above, or that are held by entities owned or controlled, directly or indirectly, by such persons, or by persons acting on their behalf or at their direction, and decides further that all States shall ensure that no funds, financial assets or economic resources are made available by their nationals or by any persons within their territories to or for the benefit of such persons or entities;”*

In 2006, the United Nations Security Council passed Resolution 1672 (2006) which designated the following persons as subject to UN Security Council Resolution 1591 (2005):

- 1) Major General Gaffar Mohamed Elhassan (Commander of the Western Military Region for the Sudanese Armed Forces).
- 2) Sheikh Musah Hilal (Paramount Chief of the Jalul Tribe in North Darfur).
- 3) Adam Yacub Shant (Sudanese Liberation Army Commander).
- 4) Gabriel Abdul Kareem Badri (National Movement for Reform and Development Field Commander).

Commercial banks, mortgage finance companies and microfinance banks are directly affected by Clause 3(e) of United Nations Security Council vide Resolution 1591(2005) and Resolution 1672 (2006).

In view of these two UN Security Council Resolutions, all institutions are advised to:

- i) Access and obtain from the website or other sources the following UN Security Council Resolutions on Sudan:
  - a) Resolution No. UN Security Council Resolution 1591 (2005)-  
<http://www.un.org/sc/committees/1591/resolutions.shtml>
  - b) UN Security Council Resolution No. 1672 (2006).
- ii) Internalise the requirements of the two Resolutions.

### IMPLEMENTATION OF THE TWO UN SECURITY COUNCIL RESOLUTIONS BY INSTITUTIONS

All States are required to implement UN Security Council Resolution 1591 (2005) and Resolution 1672 (2006). In this regard, institutions are required to implement Clause 3(e) of UN Security Council Resolution 1591 (2005) as against the four named individuals.

In this regard, institutions are required to confirm to the Central Bank of Kenya whether they have any dealings with any of the designated persons or any entity linked to them and whether they have taken measures to implement the requirements of Clause 3(e) of UN Security Council Resolution 1591 (2005).

Institutions should therefore confirm to the Central Bank whether:

- i) They have taken any steps to implement Clause 3(e) of UN Security Council Resolution 1591 (2005).
- ii) They have identified any of the designated individuals.
- iii) They have identified any funds, financial assets and economical resources belonging to the designated individuals or to any other person or entity related to the designated individuals.
- iv) They have frozen any funds, financial assets and economical resources that are owned or controlled, directly or indirectly, by the designated persons or that are held by entities owned or controlled, directly or indirectly, by the designated persons, or by persons acting on their behalf or at their direction.
- v) They have identified any Kenyan national who has availed any funds, financial assets and economical resources to the designated persons or entities associated with the designated persons.

The Panel of Experts appointed by the UN Security Council to oversee the implementation of the sanctions against Sudan has requested the Ministry of Foreign Affairs and International Trade for

information on measures taken by Kenya to implement all aspects of the United Nations Security Council Resolutions on Sudan, specifically on Arms Embargo, Travel Ban and Assets Freeze. The Central Bank is therefore required to advise the Ministry on the measures the institutions have taken to implement the relevant provisions of the UN Resolutions under reference.

Institutions are therefore instructed to submit their feedback to the Central Bank by 25<sup>th</sup> March 2015 to enable the Central Bank brief the Ministry of Foreign Affairs and International Trade accordingly.

In case of any query or clarification, please contact:

The Director,  
Bank Supervision Department  
Central Bank of Kenya  
P. O. Box 60000 - 00200  
Nairobi

Tel: 2863005  
Email: [fin@centralbank.go.ke](mailto:fin@centralbank.go.ke)



**MATU MUGO**  
**ASSISTANT DIRECTOR, BANK SUPERVISION DEPARTMENT**

Cc. Chief Executive Officer  
Kenya Bankers Association  
13th Floor, International Life House  
Mama Ngina Street  
NAIROBI

Chief Executive Officer  
Association of Microfinance Institutions  
Methodist Ministries Centre  
NAIROBI