



## **PRESS RELEASE**

### **REGULATORY ACTION AGAINST ABSA BANK KENYA PLC**

The Central Bank of Kenya (CBK) has taken regulatory action against Absa Bank Kenya PLC (Absa Kenya), following Absa Kenya's failure to provide information about some specific foreign exchange trades that it conducted in March 2020. In investigating these and other earlier transactions it is evident that Absa Kenya did not have satisfactory assurance of the underlying commercial transactions supporting these trades, as is required, nor did the bank ensure the standard checks on anti-money laundering and combating the financing of terrorism (AML/CFT) and know-your-customer (KYC) requirements were applied.

Against this backdrop, Absa Kenya is required to undertake the following:

- By Wednesday, April 15, 2020, put in place a robust framework that ensures all relevant documents for such foreign exchange transactions are available as required, and also ensures the AML/CFT and KYC requirements are adhered to.
- Reverse the market positions that were created as a result of the flagged transactions.
- Cease to transact as an authorised foreign exchange dealer in the Kenyan market from Thursday, April 9, 2020, to Wednesday, April 15, 2020. During this time Absa Kenya cannot transact, *inter alia*, in the interbank foreign exchange market. However, all committed transactions as at April 8, 2020, can be settled.

Absa Kenya's acknowledgement of its obligations as an authorised foreign exchange dealer and its commitment to address the underlying issues is noted. CBK reiterates the objective of building sound, fair and transparent financial markets, anchored in the law and according to global best practices.

**CENTRAL BANK OF KENYA**

April 9, 2020