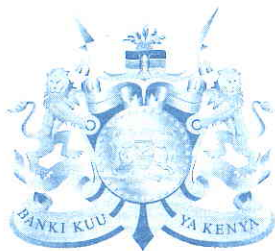


BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

9th October 2012

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

BANKING CIRCULAR NO.8 OF 2012

TO: ALL PRINCIPAL OFFICERS OF FOREX BUREAUS

SUSPICIOUS TRANSACTION REPORTS (STRs)

1. Background

The Proceeds of Crime and Anti-Money Laundering Act, 2009 (POCAMLA) came into operation on June 28, 2010. Section 44 (2) of the Act requires Reporting Institutions which includes forex bureaus to monitor and report suspicious transactions to the Financial Reporting Centre (FRC).

Section 4.10 (7) of the Forex Bureau Guidelines, 2011 requires Forex Bureaus to submit Suspicious Transaction Reports (STRs) to the Central Bank of Kenya using FORM/CBK/FXD/5 as prescribed in the Guideline, pending the establishment of the FRC. The broad characteristics of a suspicious transaction as well as the Customer Due Diligence and Record Keeping requirements are as set out in section 4.10 of the Forex Bureau Guidelines, 2011.

2. Establishment of the Financial Reporting Centre (FRC)

The FRC is established under Section 21 of the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA), 2009. The FRC is an independent body whose principal objective is to assist in the identification of the proceeds of crime and combating money laundering. The FRC was formally operationalised 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. The FRC has now been established and is operational. The purpose of this circular, which is being issued under the Central Bank of Kenya Act, is to require all Forex Bureaus with effect from 10th October 2012, to forward all 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

For purposes of submission of Suspicious Transactions Reports to the FRC, Forex Bureaus are advised to utilize FORM/CBK/FXD/5 as prescribed in the Forex Bureau Guidelines 2011 until such 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** in 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 Forex Bureau Association
NAIROBI

The Interim Director

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

NAIROBI