

## **24- INSTRUCTIONS CONCERNING THE RATIO OF NATIONAL MANPOWER AT LOCAL BANKS**

- A) Circular No. (2/BS, IBS/160/2004) to all local banks requiring them to set up a time schedule for raising the ratio of national manpower in implementation of the rules of Article No. (71 bis) of Law No. 32 of the year 1968 and its amendments.
- B) Circular requiring local banks to provide the Central Bank of Kuwait with periodic quarterly data on their employees.

**GOVERNOR**

*Rabi Al-Akhir 5, 1425H  
May 24, 2004*

**Circular No. (2/BS, IBS/160/2004)  
to All Local Banks**

**THE CHAIRMAN,**

This has reference to rules of Article (71 bis) of law No. 32 of the year 1968 amended by law No. (28) of the year 2004, which determined the National Manpower ratio for units subject to Central Bank of Kuwait supervision at a minimum of 50% of total employees, or at the ratio determined by Council of Ministries pursuant to Article (9) of law no. 19/2000 concerning the Support of National Manpower, whichever is higher. The subject units should adjust their conditions accordingly within a period of 3 years from the effective date of the mentioned Article, while taking into account the data supplied by local banks on the number of their employees as at 31/12/2003.

Therefore, your bank should take all necessary actions to increase the ratio of National Manpower to 50% by 15/3/2007.

For implementing the rules of the subject Article (71 bis), Central Bank of Kuwait has set up a time program of 6 semi-annual periods, so that the targeted ratio will be attained at the end of each mid-year period, as follows:

| <b><u>Period</u></b> | <b><u>Targeted Ratio</u></b> |
|----------------------|------------------------------|
| Upto 15/9/2004       | at least 43%                 |
| Upto 15/3/2005       | at least 45%                 |
| Upto 15/9/2005       | at least 46%                 |
| Upto 15/3/2006       | at least 48%                 |
| Upto 15/9/2006       | at least 49%                 |
| Upto 15/3/2007       | at least 50%                 |

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It should be noted that your bank must strictly comply with the above time program in order to reach the targeted ratio (50%) by 15/3/2007. Central Bank of Kuwait will be considering the application of appropriate penalty (as per the revised Article (85) of law No. 32 of the year 1968 in case significant deviations from the targeted ratio are noticed for any of the above 6 periods without acceptable justifications.

With my best wishes,

**SALEM ABDUL AZIZ AL SABAHI**

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**GOVERNOR**

*Rabi Al-Akhir 22, 1426H  
May 30, 2005*

**Circular to All Local Banks**

**THE CHAIRMAN,**

This has reference to the Circular dated 1/5/2005 to all local banks, stressing some of the issues discussed during the meeting held with local banks chairmen on 23/3/2005, including the emphasis on the need for local banks compliance with the rules of Article (71 bis) of Law No. 32 of the year 1968 concerning currency, the Central Bank of Kuwait and the Organization of Banking Business, which stipulated that the ratio of national manpower at a local bank may not be less than 50%, with the understanding that banks will gradually meet this ratio within three years of the issuance date of Law No. 38 of the year 2004, as well as the emphasis that local banks should adjust their conditions and attain the said ratio within the framework of the circular dated 2/4/2005 forwarded to them in this regard, and while noting that the Central Bank's calculation of this ratio will take into account the total number of the employees of a bank without giving regard to the OUTSOURCING APPROACH resorted to by some bank for the purpose of improving the subject ratio.

Reference is also made to Central Bank of Kuwait's letter dated 16/4/2000 (copy attached) and forwarded to the Union of Kuwaiti Banks (Kuwaiti Banks Committee, at that time), requesting local banks to provide us with a periodic semi-annual report containing the data on the employees of local banks and Kuwait Finance House, by employees numbers, nationalities and job levels they occupy.

We would like to advise you that your bank must provide us with a periodic quarterly report as at 31/3, 30/6, 30/9 and 31/12 each year, containing the following data:

- Number of Kuwaiti employees.
- Number of non-Kuwaiti employees.
- Total number of employees.

Each category must be distributed into three job levels (senior management, middle management, lower management). The subject report must be supplied to us not later than ten business days from the end of the respective period, commencing from the period ended 30/6/2005, and using the attached form.

We would also like to confirm the need for reporting all of your bank's employees in the said report, including those working under outsourcing contracts signed with other parties, with the possibility of excluding workers that include the following categories :

- Office boys.
- Drivers.
- Messengers.

With my best wishes,

**SALEM ABDUL AZIZ AL SABAH**

**Central Bank of Kuwait  
Banking Supervision Sector / On-Site Supervision Department  
Banking & Financial Units Section**

**Bank : -----  
Statement of Bank Staff by Number, Nationality & Job Level as at -----/-----/-----**

| Kuwaitis          |                   |                  |       | Non-Kuwaitis      |                   |                  |       | Total             |                   |                  |       |
|-------------------|-------------------|------------------|-------|-------------------|-------------------|------------------|-------|-------------------|-------------------|------------------|-------|
| Senior Management | Middle Management | Lower Management | Total | Senior Management | Middle Management | Lower Management | Total | Senior Management | Middle Management | Lower Management | Total |
|                   |                   |                  |       |                   |                   |                  |       |                   |                   |                  |       |

- 1) All bank staff, including those working under out-sourcing contracts, but the following workers categories may be excluded (Office boys, Drivers, Messengers)
- 2) Staff excluded as per item (1) above stood at -----
- 3) Senior Management means supervision jobs.
- 4) To be supplied to the Central Bank of Kuwait on a quarterly basis, within 10 business days from the end of the respective quarter, starting from as of 31/3, 30/6, 30/9, 31/12//2005.

*Moharram 11, 1421 H  
April 16, 2000*

**Attachment to the Circular requesting local banks to provide  
the Central Bank of Kuwait with the data on their employees  
on a periodic quarterly basis**

**Head of General Managers committee  
Kuwaiti Banks Committee,**

Within the framework of the Central Bank's follow-up of all aspects related to the business and activities of the local banks, and given the importance of having accurate information on the employees of the banking sector and the job levels they occupy, so as to use the same when preparing the relevant studies and statistics, it is necessary to provide us with a periodic semi annual statement containing the below mentioned data on each local bank, including Kuwait Finance House, as at 30/6 and 31/12 each year, noting that such statement must be supplied to us within 15 days from the end of each of the two mentioned periods, commencing from the period ended 30/6/2000:

- Number of Kuwaiti Employees.
- Number of non-Kuwaiti employees
- Total number of employees.

Each category of the above should be distributed into 3 job levels (senior management, middle management, lower management).

We would like to stress the importance of advising us of the bases relied on in determining the above mentioned job levels. For comparison purposes, please provide us with the same statement as at the end of 1999.

Best Regards,

**Ibrahim Ali Al-Qadhi**

**Manager of Supervision Department**