

## Introduction

The Central Bank of Kuwait (CBK) is keen on providing a comprehensive framework of regulatory and supervisory rules that organize the business of banks registered with it, within the role which it has been assigned by the provisions of Law No.(32) of year 1968 concerning Currency, the Central Bank of Kuwait and the Organization of the Banking Business, and amendments thereto, in regard to supervising the banking and financial system in the State of Kuwait, and directing the credit policy, so as to contribute to economic and social development and to increase national income.

In this context, and in light of the special nature of Islamic Banks compared to other banks, the Supervision Sector prepared a separate manual titled “Instructions manual, for Islamic Banks Supervision”, which contains all instructions and regulations issued by the Central Bank of Kuwait in the various areas of Islamic banking activity, along with the related ministerial decisions that are currently applicable. This Manual will be developed by adding, any further Central Bank of Kuwait instructions and regulations in regard to Islamic banks shall be added to the manual, so as to provide – in all times - a comprehensive framework of applicable regulatory and supervisory rules, to be available to the concerned parties at Islamic banks, so as to ensure their observance of these rules.

This manual encompasses the following three main Chapters, each addressing a specific topic, as follows: First Chapter- Memorandum on the registration system of Islamic banks; Second Chapter- Law, instructions, and regulatory and supervisory regulations concerning Islamic banks; Third Chapter- Periodic data and statistics of Islamic banks.

The manual has been issued in two parts. Part I encompasses the First Chapter, and sections 1 to 12 of the Second chapter; while Part II encompasses the rest of the Second Chapter along with the Third Chapter.