

**Law Number 30 of Year 2008**  
**with Regard to Guaranteeing the Deposits**  
**at Local Banks in the State of Kuwait**

- Following perusal of the Constitution,
- Law Number 32 of year 1968 with regard to cash, the Central Bank of Kuwait and regulating the banking profession and its amending laws,
- the Civil Law issued by Decree Number 67 of year 1980 and its amending laws
- and the Commerce Law issued by Decree Number 68 of year 1980 and its amending laws,

the National Assembly has approved the law with the following text and we have approved and promulgated it:

**Article One**

The State shall adhere to guarantee the deposits at local banks in the State of Kuwait.

The guarantee shall apply to the original deposits of all kinds, including the savings accounts and the balances of current accounts.

**Article Two**

The Ministry of Finance shall provided with the required funds from the public reserve in order to pay the deficit at any bank failing to fulfill the rights of the depositors provided that the Central Bank of Kuwait collects these funds under the conditions and controls prescribed by the Minister of Finance based on the suggestion of the board of directors of the Central Bank. The government shall present to the National Assembly and to the Auditing Bureau a detailed statement of the value of the funds paid in execution of the provisions of the preceding article and comprising the name of the bank, the value of the deficit paid to it and the conditions and controls for recovering these public funds.

### **Article Three**

The Prime Minister and the Ministers – each in his competence – shall execute this law which shall come into force effective from the date of its publication in the Official Gazette.

**The Amir of Kuwait**

**Sabah Al-Ahmad Al-Jaber Al-Sabah**

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**The Explanatory Note  
for Law Number (30) of the Year 2008  
with Regard to Guaranteeing the Deposits  
at Local Banks in the State of Kuwait**

Due to the current circumstances of the global economic crisis that may take long to overcome in order to reach a new version of the fundamentals of the global financial system thus necessitating the intervention of several nations – advanced and developing – to support the solvency and liquidity of their banking institutions. Among the actions taken by some countries in order to support their banking institutions is the guarantee of deposits at their national banks. This took place in some Arab and Gulf nations.

If the local banks are currently in a good state of solvency and liquidity, it is however necessary to issue a commitment by the State of Kuwait to guarantee the deposits at local banks so that their situations do not compete inadequately with the banks whose governments guarantee the deposits thereat. This inadequate competitive situation may cast a negative impact on the movement of deposits at local banks.

Hence, the enclosed law was prepared whereby Article One stipulates that the State guarantees the original deposits at local banks in the State of Kuwait, including the savings accounts and the

balances of current accounts. Article Two provides for the Ministry of Finance making available the necessary funds from the public reserve in order to settle the deficit at any bank that is preventing it from fulfilling the rights of the depositors. The Central Bank of Kuwait shall collect these funds under the conditions and controls

prescribed by the Minister of Finance based on the suggestion of the board of directors of the Central Bank. It also stipulates that the government submits to the National Assembly and to the Diwan of Accounting a detailed statement of the value of the funds paid in execution of the provisions of this article and comprising the name of the bank, the value of the deficit paid to it and the conditions and controls for recovering these public funds.

Article Three provides for the enforcement of the law effective from the date of its publication in the Official Gazette.