

**Ministry of Finance**  
**Ministerial Order**  
**Concerning subjugation of the Currency Exchange Companies**  
**to the Control of the Central Bank of Kuwait**

**Minister of Finance**

- Having reviewed of Articles Nos. (55), (59) and (90) of Law No. (32) year 1968 concerning funds, Central Bank of Kuwait and regulating the exchange profession amended by Law No. 130 year 1977.
- And based on the decision of the Board of Central Bank of Kuwait.

**Resolved**

**Article (1)**

Currency Exchange Companies meant by this Law are any company licensed to practice currency exchange business such as buying and selling currencies, touristic cheques, mail transfers, trading of precious metals, collecting checks and transfers drawn on parties abroad.

**Article (2)**

Currency Exchange Companies are not entitled to practice any of the banking profession operations such as receiving cash deposits,  
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saving deposits, opening current A/C's, accepting stock exchange sight drafts or documentary credit, issuance of Letters of Credit payment against bills of exchange, drafts or promissory notes, etc. nor otherwise offering loans.

**Article (3)**

Currency Exchange Companies are not entitled to represent any foreign banks or banking institutes in Kuwait, or assumes inside Kuwait banking activity for the account of such banks and institutions,

- Nor such companies are entitled to enter into management contract agreements with foreign banks or banking institutes.

#### **Article (4)**

Currency Exchange Companies should keep regular accounts clarifying details of its operations and activities, and its actual financial positions. In addition, and should also keep the needful books, records and documents appropriate to its activity nature.

#### **Article (5)**

Companies licensed to practice currency exchange business together with other types of business such as trading, real estate, industrial activities have to take all needful measures targeting to establish an independent company capable to practice the business of currency exchange. Said matter should be materialized within a period not exceeding one year from the date this resolution has been in effect.

#### **Article (6)**

Upon transference of any application to establish an exchange company from the Ministry of Commerce to the Central Bank of

Kuwait, the latter should make sure of the financial market need to establish such a company.

In addition, the company's capital should also be suitable to the activity thereof and the company's purposes should be confined to practicing the currency exchange profession, and the Central Bank of Kuwait must examine the actual need the participation of the foreign partner in case such non-Kuwaiti partners are required to be involved in the company required to be established.

### **Article (7)**

Central Bank of Kuwait should keep a register especially designated for recording currency exchange companies, through which the following data are to be recorded:

1. Registration number and date
2. Company's name and address
3. Legal nature of the company
4. Date of establishment
5. Capital
6. Reserves
7. Names of Board of Director's members or persons who are authorized with company's management
8. Names of the joint partners if the company has taken the form of a joint or limited partnership company
9. Names of the foreign partners in case of the existence of non-Kuwaiti partners in the company
10. Branches
11. Any other information required by the bank
12. Any new changes in the aforementioned data and should be informed in order to update the same first by first.

### **Article (8)**

Applicants should file their requests for registration to the Central Bank of Kuwait using the form designated by the Central Bank of Kuwait for this purpose, where an official extract of the company's establishment deed and its essential discipline together with all documents proving the correctness of the data detailed in the registration application.

### **Article (9)**

Any exchange company is not permitted to practice its business unless it has been already recorded in the register especially designated for such companies at the Central Bank of Kuwait.

- Ongoing companies at time of issuing this resolution should file their registration applications during the period limits designated by the Central Bank of Kuwait.

### **Article (10)**

Exchange companies should notify Central Bank of Kuwait of any amendment intended to be processing in its contract of establishment or essential discipline or any of the data recorded in the register.

Any amendment will not come in force unless approved by Central Bank of Kuwait as per provisions of Article No. (61) of Central Bank of Kuwait.

### **Article (11)**

Pursuant to the provisions of Article No. (63) of the Central Bank of Kuwait Law, any exchange company may be deleted from the register of exchange companies in the following cases:

- A – Upon the company's request.
- B – If the company hadn't started its activity within one year following the notification of its registration in the register of the exchange companies.
- C – If the company is exposed to a bankruptcy.
- D – If the company merged into another company.
- E – If the company stopped its activity or its financial position exposed to any risk.

### **Article (12)**

With regard to provisions of the Commercial Companies Law, any exchange company will be liquidated if deleted from the exchange companies' register.

### **Article (13)**

Pursuant to provisions of Article (71) of the Central Bank Law, the Central Bank is entitled to provide the exchange companies with instructions which, from the standpoint of the said bank, are necessary to regulate business thereof, as well as to achieve and be

in line with the monetary and credit policy followed by the Central Bank of Kuwait.

#### **Article (14)**

Pursuant to the provisions of Article (78) of the Central Bank of Kuwait Law, thereof – CBK is entitled to set down inspection regulations in respect of the exchange companies in order to ensure the integrity of their activities and financial positions, and to assure accuracy of data and information submitted to the Central Bank of Kuwait, in addition to any other matters deemed necessary to be controlled.

#### **Article (15)**

According to Article No. (81) of the Central Bank's law, exchange companies are required to file the balance sheets and the profits and losses A/C's thereof at Central Bank of Kuwait within three months from the date on which the fiscal year is ended by.

#### **Article (16)**

Central Bank – as per provisions of Article No. (82) of the law thereof – is entitled to require from the exchange companies data, lists and statistical information deems – from the point of view thereof – necessary in order to implement its duties in the course of monitoring such companies.

#### **Article (17)**

Central Bank of Kuwait is entitled to effect the appropriate fines and punishments as enumerated in Article No. (85) of the Central Bank law upon any exchange company breaches provisions of the establishment contract or the essential discipline thereof, or otherwise violated the instructions issued by Central Bank of Kuwait

to those exchange companies, or released data not identical to the truth.

**Article (18)**

This resolution is to be published in the Official Gazette and shall be in force with effect from date of its publishing.

**Minister of Finance**  
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