

**12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED
FOR MEMBERS OF THE BOARD OF DIRECTORS AND
THE EXECUTIVE STAFF, AS PER ARTICLE (68)
OF LAW NO. 32 OF 1968**

- A) Circular No. (2/BS/186/2006) concerning rules and regulations for the experience required under the article (68) of Law No. 32 of 1968 and its Amendments.
- B) Circular requiring banks to provide Central Bank of Kuwait with board members nomination forms, fully completed and supported by required documents, before 30 days from the date of the bank shareholders general meeting.
- C) Circular No. (2/BS/26/1997) requiring banks to notify Central Bank of Kuwait of any resignations of executive positions, whose occupants must be nominated according to the provisions of Article (68).
- D) Circular stipulating that the delegation of any responsibilities to a board member on behalf of the bank, must be subject to an authorization from the board.
- E) Circular requiring banks to apply for Central Bank of Kuwait's approval for the nominee to the position of Head of Internal Audit Position or a similar position.
- F) Circular No. (2/BS/93/2002) concerning the issuance of the Manual on the duties and responsibilities of banks' board members.
- G) Circular No (2/BS/172/2004) concerning the declaration of (direct or indirect) ownership of a nominee for a board membership of a bank, in the issued capital of such a bank.
- H) Circular No. (2/BS/207/2007) concerning the rules and regulations governing the experience required for the chief executive officer and the Managing Director of a bank, excluding the condition stipulating the total period of experience as an employee.
- I) Circular concerning the amendments made to the forms used for nomination to a bank board membership, and nomination to the position of Managing Director, or the position of Chief Executive Officer or his Deputy or Assistant.

- J) Circular No. (2/BS,IBS/250/2009) requiring the nominee to a bank board membership, or to the position of Managing Director, Chief Executive Officer or his Deputy or Assistant, to attach a certificate from the Criminal Execution and External Communication Office of the Ministry of Justice, showing the definitive rulings issued against him.
- K) Circular No. (2/BS,IBS/254/2009) concerning the mechanism agreed upon with the Prosecution of Criminal Execution and External Communications at the Ministry of Justice, for obtaining the required certificate for the nominees to bank's board membership, and to the position of Managing Director, Chief Executive Officer and his Deputy and Assistant.
- L) Circular No. (2/BS,IBS/255/2010) concerning the modified mechanism with the Prosecution of Criminal Execution and International Cooperation at the Ministry of Justice, for obtaining a certificate that contains final and definitive rulings issued against the nominees to bank's board membership, and to the position of Managing Director, Chief Executive Officer and his Deputy and Assistant.
- M) Circular No. (2/BS,IBS/265/2010) concerning the change in correspondence approach to obtaining the certificate which includes the provisions issued for the nominees for membership of the Board of Directors, the Managing Director, the Chief Executive Officer, and his Deputy and Assistant.
- N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item "seven".
- O) Circular No. (2/BS,IBS/400/2017) Concerning modification of the mechanism used to obtain the certificate of Criminal Execution and International Cooperation, which includes the definitive rulings issued against the nominees for the Board of Directors and the Managing Director and Chief Executive officer and his Deputy and Assistant in the bank.
- P) Circular No. (2/BS,IBS/404/2017) with an attachment of Resolution No. (43-a/422/2017) concerning the rules and regulations related to the experience required under Article (68) of Law No. 32 of 1968 and its amendments for local banks.
- Q) Circular No. (2/BS, IBS, FS, IFS/422/2018) to all local banks and finance companies concerning the rules and regulations related to the experience required in Article (68) of Law No. 32 of 1968 and its amendments.
- R) Circular No. (2/BS,IBS/447/2019) to all local banks concerning the rules and regulations related to the experience required in Article (68) of Law No. 32 of 1968 and its amendments.

THE GOVERNOR

*Jumada Alakhira 08,1427 H
July 03,2006*

The Chairman,

**Circular No. (2/BS/186/2006) Concerning the Rules and Regulations
for the Experience Required under Article (68)
of Law No. 32 of 1968 and its Amendments**

With reference to the Central Bank of Kuwait Board of Directors' resolution No. (4/220/1995), amended by resolution No. (30/299/2004) and resolution No. (92/315/2005), concerning the rules and regulations for the experience required under Article (68) of Law No. 32 of 1968 and its amendments.

We would like to advise you that the Central Bank of Kuwait Board of Directors passed at its meeting of 02/07/2006 its resolution No. (57/322/2006), concerning the rules and regulations for the experience required under Article (68) of Law No. 32 of 1968 and its amendments.

The new resolution included all the amendments previously introduced in this regard, beside adding special conditions for the experience required for the Managing Director in a bank. The Managing Director in bank must satisfy the same conditions required for the Chief Executive Officer in bank. It has to be observed that the Central Bank of Kuwait's prior approval must be obtained for the nominee to the position of the Managing Director in a bank, before referring the nomination to the Board of Directors for electing him as a Managing Director, by following the same procedures applicable for obtaining the Central Bank of Kuwait's approval for the nominee to the position of Chief Executive Officer. The Central Bank of Kuwait has also the right to take the actions necessary for ascertaining that the nominee has the professional and leadership capabilities qualifying him for the position of the Managing Director in a bank, or for the position of the Chief Executive Officer, his Deputy or Assistant, including a personal interview with the nominee, if so required.

Attached is a copy of resolution No. (57/322/2006).

With my best wishes,

**The Governor
Salem Abdul Aziz Al-Sabah**

Resolution No. (57/322/2006) Concerning the Rules and Regulations for the Experience Required Under Article (68) of Law No. 32 of 1968^{(1) (2)}

The Central Bank of Kuwait Board of Directors,

Having reviewed Article (68) of Law No. 32 of 1968 as amended by Law No. 28 of 2004⁽³⁾, and the Resolution of the Central Bank of Kuwait's Board of Directors No. (4/220/1995) amended by the Resolution No. (30/299/2004) and Resolution No. (92/315/2005) regarding the Rules and Regulations for the Experience required under Article (68) of the Law No. 32 of 1968⁽⁴⁾,

Has resolved as follows:

Article One

In order to meet the condition of the experience provided for under Article (68) of Law No. 32 of 1968, and its amendments, a nominee for a bank board membership should satisfy one of the following conditions :

- 1) Should hold a university degree or be a graduate of one of the applied education institutes specialized in the economic, financial or banking studies, and should have the following experience:
 - a) Holders of university degrees in the economics, legal or administrative studies should have five year experience in the said areas, or in the banking or financial field.
 - b) Holders of university degrees in other disciplines should have seven-year experience in banking or financial field.
 - c) Holders of certificates from one of the specialized applied education institutes should have ten year experience in banking or financial field.

⁽¹⁾ The Central Bank of Kuwait's Board of Directors previously issued on 22/01/1995 the resolution No. (4/220/1995) concerning the rules and regulations governing the experience required under article (68) of Law No. (32) of 1968 and its amendments The mentioned resolution was amended pursuant to resolution No.(30/299/2004) and resolution No.(92/315/2005).

⁽²⁾ The Central Bank of Kuwait's Board of Directors issued on 13/06/2017 the circular No. (2/BS,IBS /404/2017) amending the rules and regulations governing the experience required under article (68) of Law No. 32 of 1968 and its amendments.

⁽³⁾ The Central Bank of Kuwait's Board of Directors issued on 03/12/2018 the circular No. (2/BS,IBS,FS,IFS/422/2018) amending the rules and regulations governing the experience required under article (68) of Law No. 32 of 1968 and its amendments.

⁽⁴⁾ The Central Bank of Kuwait's Board of Directors issued on 10/09/2019 the circular No. (2/BS,IBS/ 447/2019) amending the rules and regulations governing the experience required under article (68) of Law No. 32 of 1968 and its amendments.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

A) Circular No. (2/BS/186/2006) amending concerning rules and regulations for the experience required under the article (68) of law No. (32) of 1968 and it's Amendments.

As for the nominees for the membership of specialized banks' board of directors, if the nominee does not satisfy the above experience conditions, then it is a stipulation for the nominee to have experience in the business field of the respective specialized bank. For a nominee holding a university degree in any field, he must have a minimum experience of five years, while a nominee holding a certificate from specialized institutions of applied education must have a minimum experience of seven years, whether in the banking or financial field, or in the business field of the respective specialized bank.

Or

- 2) Had previously held board membership, for a minimum of six years, in local or foreign recognized banks or financial institutions, or in public institutions or financial or economic public bodies.

Or

- 3) Had held, for a minimum of three years, key positions in banking or financial institutions, with functions related to the basic activities of the institution.

Or

- 4) In the event the nominee does not meet the conditions specified under items 2 and 3, it may be possible to rely upon his total experience in board membership and key positions in banking or financial institutions together, so that his total experience in the said areas would be a minimum of six years.

Or

- 5) Has been a businessman of recognized and licensed commercial, economic or financial activity for at least ten years, and the Central Bank of Kuwait believes that such activity provides the nominee with the experience useful for his position as a bank board member.⁽¹⁾

Or

- 6) Has occupied for at least three years the position of Minister or its equivalent, or the position of Ambassador in the diplomatic body, or a key position in government bodies or state institutions, in accordance with the law and system of civil service. The Central Bank of Kuwait Board of Directors will decide whether the position occupied by the nominee has provided him with experience useful for his work as a bank board member.⁽²⁾

⁽¹⁾ This item was amended pursuant to Central Bank of Kuwait Board of Directors' Resolution No.(92/315/2005) issued on 30/10/2005.

⁽²⁾ This item was added pursuant to Central Bank of Kuwait Board of Directors' Resolution No. (92/315/2005) issued on 30/10/2005.

Article Two^{(1) (2)}

The Managing Director in a bank must satisfy the same conditions required for the Chief Executive Officer in a bank, according to Article Three of this resolution.

It has to be observed that the Central Bank of Kuwait's prior approval must be obtained for the nominee to the position of the Managing Director in a bank, before referring the nomination to the respective bank Board of Directors for electing him as a Managing Director, by following the same procedures applicable for obtaining the Central Bank of Kuwait's approval for the nominee to the position of Chief Executive Officer.

Article Three

In order to meet the experience requirement provided for under Article (68) of the said law, a nominee for the position of a bank Chief Executive Officer should satisfy the following conditions:

- 1) Must hold a university degree in economics, legal or administrative sciences.
- 2) Must have worked as an employee⁽³⁾ for a period of 15-20 years, of which at least 10 years were in a banking or financial institution, with a minimum of five years in key positions, which functions were related to the basic banking or financial activities of the institution.⁽¹⁾
- 3) Must possess the professional and leadership capabilities which qualify him for this position.

Article Four⁽¹⁾

In order to meet the experience requirement provided for under Article (68) of the said law, a nominee for the position of Deputy or Assistant Chief Executive Officer of a bank should satisfy the following conditions.

- 1) Must hold a university degree in economics, legal or administrative sciences.
- 2) Must have been employed for a period of 10-15 years, of which at least 10 years were in a banking or financial institution, with a minimum of five years in key positions which functions were related to the basic banking or financial activities of the institution.
- 3) Must possess the professional and leadership capabilities which qualify him for this position.

⁽¹⁾ This item was added pursuant to Central Bank of Kuwait Board of Directors' Resolution No.(57/322/2006) issued on 03/07/2006.

⁽²⁾ This item was amended pursuant to the circular (2/BS,IBS,404/2017) issued on 13/06/2017, attached to it Resolution No. (34-a/422/2017) concerning rules and regulations for the experience required under the article (68) of Law No. 32 of 1968 and it's Amendments for local banks.

⁽³⁾ The term (employee) was deleted pursuant to circular No. (2/BS/207/2007) issued on 06/06/2007.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

A) Circular No. (2/BS/186/2006) amending concerning rules and regulations for the experience required under the article (68) of law No. (32) of 1968 and it's Amendments.

Deputy or Assistant of a bank's Chief Executive Officer, who is required to meet the aforesaid conditions, is meant to be the persons who carry out the important functions related to the nature of the bank's activities, such as credit, investment, treasury, banking operations, and other banking functions.⁽¹⁾

Article Five⁽²⁾

In order for the experience required under Articles (One), (Three) and (Four) of this resolution to be accepted for the nominees to the board membership of a bank, or for the position of the Chief Executive Officer of the bank, his Deputies or Assistants, such nominee must have not been removed from any of such positions with a view to protecting the safety of the depositors' funds, shareholders' interests or corporate interest of the bank, as per the rules of revised article (68) of the Law No. 32 of 1968. It is also stipulated that no negligence, omission or violation of the law has been attributed to the nominee while performing his duties. In general, the nominee must have not committed acts violating the Law.

Article Six⁽²⁾

The Central Bank Board of Directors may exempt a nominee for the position of a bank Managing Director, and any of the nominees to the positions of Chief Executive Officer, his Deputy or Assistant from the "university degree requirement" if the experience and efficiency of such nominee so warrants.

Article Seven⁽³⁾

The Central Bank of Kuwait has the right to take the actions necessary for ascertaining that the nominee has the professional and leadership capabilities qualifying him for the position of the Managing Director in a bank, or to the position of the Chief Executive Officer, his Deputy or Assistant, including a personal interview with the nominee, if so required.

Article Eight

This resolution shall be in effect from the date of its issuance, and shall be published in the official Gazette.

Board of Directors of the Central Bank of Kuwait

Issued on Jumada Alakhira 08,1427 H corresponding to July 03, 2006

⁽¹⁾ Internal Audit business was added in accordance with the circular issued on 15/04/1999.

⁽²⁾ This item was amended pursuant to the circular (2/BS,IBS,404/2017) issued on 13/06/2017, attached to it Resolution No. (43-a/422/2017) concerning rules and regulations for the experience required under the article (68) of Law No. 32 of 1968 and its Amendments for local banks.

⁽³⁾ Article Seven was added pursuant to Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) issued on 03/07/2006.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

A) Circular No. (2/BS/186/2006) amending concerning rules and regulations for the experience required under the article (68) of law No. (32) of 1968 and its Amendments.

THE GOVERNOR

Muharram 06, 1417 H
May 13, 1997

The Chairman,

Circular to all Local Banks No. (2/BS/18/1997)

It has been noticed recently that some banks send their board members nomination forms to the Central Bank of Kuwait without attaching all supporting documents to the data and information contained in these forms, thus breaching the Central Bank of Kuwait instructions in this regard.

Therefore, in line with the rules of Article (68) of the Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait and the Organization of the Banking System, and in order for the Central Bank of Kuwait to study those nomination forms and issue the relevant approval or declination decision in a timely manner without any delay. It is hereby required to dispatch to the Central Bank of Kuwait the subject nomination forms, complete and supported by required documents, 30 days before the date of the shareholders General Meeting of the respective bank. In the event of non-compliance with these instructions, the time period – defined under the above mentioned article – during which the Central Bank of Kuwait replies to such applications, shall commence from the date of completing the data and documents required in this respect. This may lead to deferring the date of the respective bank's shareholders General Meeting until the Central Bank of Kuwait finishes the study of such applications and issues its final decision in this regard.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

THE GOVERNOR

Muharram 21, 1418 H
May 28, 1997

The Chairman,

Circular to all Local Banks No. (2/BS/26/1997)

It was recently noticed that some banks do not advise the Central Bank of Kuwait (CBK) of resignations from executive positions for which nomination and CBK prior approval of nominees is mandatory. This practice leads to the existence of vacant key positions in the organizational structure of the bank, without timely replacement, thus adversely affecting the bank's performance. In some other cases, the bank assigns the responsibility of the vacant position to a senior staff member who may not meet the position's prerequisites according to the CBK relevant instructions.

Therefore, banks are required to notify the Central Bank of Kuwait of any resignations of executive positions to which the nomination should comply with the provisions of the above mentioned Article (68) instructions, and which require Central Bank of Kuwait's prior approval of the nominee.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

THE GOVERNOR

Rabi Al-Akhir 08, 1418 H
August 12, 1997

The Chairman,

Circular to all Local Banks No. (2/BS/43/1997)

It has been noticed recently that some chairmen of the boards of directors of banks and their deputies go on leave or missions, at the same time, and delegate authority to one of the members of the board,

And, in order to organize the flow of work in the banking business in fulfillment of the relevant the laws, the Central Bank of Kuwait instructs that such delegation should be effected by means of a resolution of the board of directors, specifying the scope of the delegation and the period thereof.

Therefore, the foregoing requirement should be noted and a photocopy of the aforesaid delegation should be forwarded to the Central Bank of Kuwait in each case.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

THE GOVERNOR

Thul-Hijja 29,1419 H
April 15, 1999

The Chairman*,

In reference to the provisions of Article (3)⁽¹⁾ of Central Bank of Kuwait Board Resolution No. (4/220/1995) concerning the rules and regulations governing the required experience stipulated under Article (68) of the Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait and the Regulation of Banking, and stating that the positions of Deputy or Assistant Chief Executive Officer of a bank, which is to be subject to the conditions of the aforesaid resolution, is meant to be those person discharging the important duties associated with the nature of the bank's business, such as credit, investment, treasury, banking operations and other banking activities.

And, whereas the position of the Head of Internal Audit Department, or its equivalent, is considered as one of the important functions associated with the nature of the banking business, therefore, your bank is requested to apply for Central Bank of Kuwait approval for the nominee to the position of Head of Internal Audit Department or its equivalent pursuant to the rules of Article (68) of Law No. 32 of 1968 referred to above.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

* Circulated to some local banks.

⁽¹⁾ Amending Article (4) of resolution No.(57/322/2006) concerning the rules and regulation governing the experience stipulated under Article (68) of the law No. (32) of 1968.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

E) Circular requiring banks to apply for The Central Bank of Kuwait's approval for the nominee to the position of Head of Internal Audit or a similar position.

THE GOVERNOR

Sha'ban 16, 1423 H
October 22, 2002

The Chairman*,

**Circular No. (2/BS/93/2002) concerning the Issuance of the Manual
on the “Duties and Responsibilities of Banks’ Board Members”**

I would like to advise you that the Central Bank of Kuwait Board of Directors, in its meeting held on 19/10/2002 approved the issuance of the manual on the “Duties and Responsibilities of Banks’ Board members”

Attach hereto is a copy of the mentioned manual, which shall be distributed to your bank’s current Board Members, as well to those who will be seeking nomination to the Board membership in the future.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

* Circulated to all local banks.

**Manual on The
“Duties and Responsibilities of Banks’ Board Members”**

- **Introduction:**

- **Main Duties and Responsibilities of Banks Board Members:**

First: With Regard to the Fulfillment of the Board Member’s Role in the Management of the Bank’s Activities and the Safeguard of its Financial Position.

- 1- Selecting the bank’s executive staff.
- 2- Laying objectives and applying sound policies.
- 3- Effective supervision and oversight of the bank’s work and activities.
- 4- Maintaining an adequate capital basis for the bank.

Second: With Regard to Compliance with Laws , and Regulatory Decisions and Instructions Issued by the Central Bank of Kuwait.

Third: With Regard to the Adequacy and Transparency of Information Available to the Shareholders and the Public on the Bank’s Position.

Fourth: With Regard to Compliance with Sound Practices.

(avoidance of abuse of authority and the serving of personal interests).

Manual on the “Duties and Responsibilities of Banks’ Board Members”

Introduction:

The bank’s board of directors is considered the first responsible for the management of the bank’s activities. The board members’ responsibility is not only towards shareholders, but encompasses protecting the rights of depositors and other creditors along with the protection of shareholders’ rights. This requires the board to shoulder its responsibility with regard to following a sound and effective management policy aimed at disciplining and enhancing banking activity at the bank, so as to ensure the attainment of intermediate objectives set by the Board members for the bank’s achievements.

Even though work may be carried out by the Board’s delegating some of its authority, and assigning the daily management of the bank’s activity to committees issued from it, or to individuals at various hierarchic levels within the bank’s executive staff, the board remains nonetheless responsible for all outcomes of the bank’s policies and practices as well as for the bank’s ensuing position.

Worth noting in this regard are the provisions of Article (148) of the Commercial Companies Law, which states that “The Chairman and members of the Board of Directors are accountable toward the company, its shareholders, and third parties of all acts of fraud and abuse of authority, breach of the Law or the company’s by-laws, as well as mismanagement. A vote of the Company’s General Assembly exonerating the Board of Directors does not preclude legal action implicating the Board’s responsibility”.

In order for the Board to effectively fulfill its duties and responsibilities, it should make its decisions in light of a thorough research of the issues it is presented with, whereby such research should be based on sufficient and transparent data provided by the bank’s executive staff, and where the bank’s executive staff shall ensure that the Board is continually informed of the bank’s position.

The main duties and responsibilities of banks’ board members are as follows:

First: With Regard to the Fulfillment of the Board Member’s Role in the Management of the Bank’s Activities and the Safeguard of its Financial Position:

- 1) Selecting the Bank’s Executive Staff,** Such staff encompasses the Chief Executive Officer, his Deputies and/or Assistants, and managers of the bank’s principal activities (credit, investment, treasury, internal audit...). The Board of Directors shall select for these positions those individual that qualify on both the scientific and practical levels, and possess the needed capabilities for efficiently running the bank’s

various operations. In so doing, the Board shall take into consideration the regulations and controls regarding the experience required in those in charge of the bank's upper management, according to the provisions of Article (68) of the Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, in addition to the Central Bank of Kuwait decisions in this regard.

- 2) Laying Objectives and Applying Sound Policies,** The Board shall define the objectives and set the general framework of policies appropriate for their attainment, whereby the Chief Executive Officer and concerned manager shall be acting through these policies to manage the bank's Affairs. Chief among these policies are those concerning credit and investment. In this regard, due consideration shall be granted to Central Bank of Kuwait instructions on the rationalization and organization of banks' credit policies, as well as on the organization of banks' investment policies, the management of assets and liabilities, and the laying down of the bank's personnel regulations.

The Board shall follow long-term strategic planning in the attainment of the bank's general objectives, and short-term phased planning – usually exemplified in the estimated budget- in the execution of intermediate objectives. The Board shall also grant due consideration to assessing the congruence of the policies applied and decisions taken, with the trends in factors affecting the bank's various activities. Worth noting in this regard are the Central Bank of Kuwait instructions regarding the estimated budget and the bank's future action plan. Worth mentioning is that the attainment of these goals necessitates sufficient conversance with worldwide developments in the banking industry and the impressive advancement in the type of utilized financial instruments, along with developments in financial markets, interest and exchange rates and associated risks, in addition to developments in technology, competition climate, etc.

- 3) Effective supervision and oversight of the Bank's work and activities,** In light of its responsibility towards the bank's good governance, the Board shall adopt effective internal supervision systems along with appropriate means of oversight that secure adequate and continual awareness of the bank's position and the condition of its activity as well as any problems it faces, upon the problems occurrence without delay, so that the Board may take appropriate decisions and measures in a timely fashion.

Worth noting in this regard are the Central Bank of Kuwait's instructions on internal supervision systems in banks, which defined the responsibilities of banks' Board members, whether in regard to ensuring the adequacy of accounting records or other records, or in the setting of internal supervision systems and their regular review and testing thereof, or in the establishment of appropriate information systems that provide required data and information for organizing and periodically overseeing the bank's performance, its financial position and the risks it is subjected to. In doing so, due consideration shall be granted to internal audit work, whether with regard to the clear determination of the internal audit system or the confirmation of its independence by determining that it is accountable to -and reports to- the bank's Board of Directors or to the Auditing Committee (issued from the Board).

4) Maintaining an adequate capital basis for the bank, This does not solely signify the bank's capital being commensurate with the volume and condition of the bank's existing activity, but encompasses as well the outlook for the growth and development of the bank's activity, expressed as the bank's capital planning and capital adequacy, along with granting due consideration to the tackling and containment of the various risks inherent in the bank's operations and the effect of these risks on its capital base. Naturally, the capital adequacy standard set by the Central Bank of Kuwait shall be abided by, under all circumstances.

Second: With Regard to Compliance with Laws, and Regulatory Decisions and Instructions Issued by the Central Bank of Kuwait:

This is considered an essential responsibility of the bank's board, whereby it shall apply all supervisory means necessary in compliance therewith.

It naturally requires conversance with the provisions of the Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, along with a clear understanding of the requirements of the supervisory policies and controls issued by virtue of Central Bank of Kuwait instructions (Bank's Supervision Manual).

Third: With Regard to the Adequacy and Transparency of Information Available to Shareholders and the Public on the Bank's Position:

The Board is also responsible for ascertaining the soundness and accuracy of the bank's published financial data, along with verifying the soundness of applied accounting systems. Additionally, the Board is responsible for meeting the requirements of shareholders and the public regarding disclosure of information on the bank's performance and its financial position, along with publicizing any important developments or events of relevance to the bank upon their occurrence, while granting due consideration to the sufficiency of these information and data for the purpose of understanding the bank's current situation.

Fourth: With Regard to the Compliance with the Sound Practices (avoidance of abuse of authority and the serving of personal interests):

The Board member shall distance himself from any practices or operations suspected as being an abuse of authority or which may realize him personal interests at the expense of the bank's interests. Among the most manifest aspects in this regard are the following:

- A. Board member, or party connected thereto, obtaining bank credit, without fulfillment of all credit criteria applied by the bank to all customers, e.g. intervention in the credit decision-making process, lack of adequate collateral, or obtainment of credit at advantaged interest rates.

Worth noting in this regard is the obligation of compliance with the provisions of Article (69) of the Law No.(32) of 1968, which contained special conditions and constraints on loans extended to members of banks Boards of Directors, ranging from prohibiting loans without collateral to the necessity of obtaining the Boards of Directors' permission or the bank's General Assembly previous authorization. Furthermore, the Central Bank of Kuwait instructions regarding the conditions and rules of the bank's extension of credit to members of its Boards of Directors shall be abided by.

- B. Using the bank's funds to the fulfillment of personal interests, such as having the bank making fixed deposits with another bank, which will –in turn - extend credit facilities to a member of the bank's Board of Directors, or senior officers or its main shareholders or any parties that is economically or legally connected thereto. Alternatively, obtaining loans from another bank at advantaged terms in exchange for reciprocal treatment for members of the other bank's Boards of Directors.

Another example is a Board member's intervention with the executive staff to prevail on them to disregard the established controls and/or procedures regarding the conduct of any of the bank activities.

- C. A Board member using information available with him on the bank's various conditions, to serve one's or other parties' interest.

In line with the above, it is noteworthy that Article (151) of the Commercial Companies Law specifies that the chairman or members of the bank's Board of Directors may have no direct or indirect personal interest in the contract or deals concluded with the company or on its behalf, unless by authorization from the company's General Assembly. Also prohibited is the participation of those mentioned above, in the management of a similar or competitor company.

Worth noting too are the Central Bank of Kuwait instructions regarding the maintenance by banks' of the confidentiality of information and data concerning their customers. These instructions request from members of the bank's Board of Directors and staff to maintain the confidentiality of information and data concerning the bank customers and other banks' customers, where such information would have become available to them through the exercise of their functions.

22/10/2002

THE EXECUTIVE DIRECTOR

Thul-Qi'da 15,1425 H
December 27,2004

The General Manager,

“Circular No. (2/BS/172/2004) to all Local Banks”

This has reference to the Central Bank of Kuwait's circular dated 06/04/2004 regarding the executive procedures for the rules of Item (2) of the Revised Article (57) of Law No. 32/1968, and to the rules of Item (4) of the mentioned circular, which provide that, when submitting the nomination forms for the nominees to board membership according to the rules of Article 68 of the mentioned Law and to the Central Bank of Kuwait Board's resolution in this regard, banks must make sure that they have already obtained the Central Bank of Kuwait approval for the nominees' ownership of more than 5% of the issued capital of the bank.

When supplying the nomination forms for nominees to the board membership of your bank, you are kindly requested to attach to the nomination form a declaration from the nominee acknowledging whether or not he owns, directly or indirectly, more than 5% of the capital of your bank. In case the nominee owns more than 5%, he must mention the ownership percentage, the date of acquisition, the manner of acquisition, and the date of the Central Bank's approval of such ownership.

Best Regards,

The Executive Director of Supervision Sector
Ibrahim Ali Al-Qadhi

THE GONVERNOR

Jumada Aloula 20,1428 H
June 06,2007

The Chairman,

**Circular No. (2/BS/207/2007) Concerning the Rules and Regulations
for the Experience Required under Article (68)
of Law No. 32 of 1968 and its Amendments**

This has reference to the Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006), concerning the rules and regulations for the experience required under the revised Article (68) of Law No. 32 of 1968.

We would like to advise you that the Central Bank of Kuwait Board of Directors resolved, at its meeting of 05/06/2007, to amend the conditions pertinent to the experience required for the Chief Executive Officer and the Managing Director of a bank, by removing the condition of linking the required total experience period to the condition of working **as an employee**, so that the revised text will read as follows:

“ Must have worked for a period of 15-20 years, of which at least ten years were in a banking or financial institutions, with a minimum of five years in key positions which functions were related to the basic banking or financial activities of the institution”

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

THE EXECUTIVE DIRECTOR

Jumada Alakhira 09,1428 H
June 24,2007

The General Manager,

Circular to Local Banks

This has reference to the Central Bank of Kuwait Board of Directors' resolution No. (57/322/2006) and its amendments, regarding the rules and regulations governing the experience required under the revised Article (68) of Law No. 32 of 1968.

We would like to advise you that some amendments have been introduced to the forms used in the case of nomination for a bank board membership, and nomination for the position of the Managing Director, or the position of the Chief Executive Officer, his Deputy or Assistant.

Attached herewith are the following:

- 1- No. (70) nomination forms for a bank Board Membership.
- 2- No. (30) nomination forms for the position of the Managing Director, or the position of the Chief Executive Officer, his Deputy or Assistant.⁽¹⁾

Best Regards,

The Executive Director of Supervision Sector
Ibrahim Ali Al-Qadhi

⁽¹⁾ This Circular was sent to branches of foreign banks in the same date with nomination forms for the position of the Managing Director, or the position of the Chief Executive Officer, his Deputy or Assistant .

Nomination Form* **for the Position of a Board Member**

At: -----Bank

* Based on the rules of the revised Article (68) of Law No. (32) of 1968 concerning Currency, The Central Bank of Kuwait and the Organization of the Banking Business, and the Central Bank of Kuwait Board of Directors' Resolution No. 57/322/2006 concerning the rules and regulations governing the experience required under the said article.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

- 1) Circular concerning the amendments made to the forms used for nomination to a bank board membership, and nomination to the position of Managing Director, or the position of Chief Executive Officer or his Deputy or Assistant.

Nomination Form

For the Position of Board Member

At : -----Bank

FIRST : NOMINEE'S PERSONAL INFORMATION

1- Name : -----

2- Date of Birth: : -----

3- Place of Birth : -----

4- Nationality : -----

5- Civil ID No.(If any): -----

SECOND : ACADEMIC QUALIFICATIONS

Academic Qualifications	Specialized Qualifications	Date of Graduation	Name of institution of Graduation
1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----

“Please attach academic degrees, or official certified copies thereof”

Signature of the Officer in Charge

Signature of the Nominee

(2)

THIRD: BOARD MEMBERSHIP OCCUPIED BY THE NOMINEE IN WELL-KNOWN LOCAL OR FOREIGN BANKS OR FINANCIAL INSTITUTIONS, OR IN PUBLIC INSTITUTIONS OR FINANCIAL OR ECONOMICAL PUBLIC BODIES

Name of the Entity	Membership Period	
	From	To
1- -----	-----	-----
2- -----	-----	-----
3- -----	-----	-----
4- -----	-----	-----
5- -----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS, AND COPIES OF THE GENERAL ASSEMBLY RESOLUTIONS, OR APPROVALS ISSUED IN THIS REGARD”

FOURTH : KEY JOBS AND POSITIONS OCCUPIED BY THE NOMINEE WITH GOVERNMENT BODIES OR STATE INSTITUTIONS, OR BANKING OR FINANCIAL INSTITUTIONS

Name of Government Body or Institution	Job or Position	Period of Employment	
		From	To
1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----
5- -----	-----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS”

Signature of the Officer in Charge

Signature of the Nominee

(3)

FIFTH : CURRENT ACTIVITY PRACTICED BY THE NOMINEE

1- Type of Activity : _____

2- Name of the institution through which you practice the activity _____

3- Period of Practicing the activity _____

“PLEASE ATTACH SUPPORTING DOCUMENTS”

4- Do you participate in managing another competitor institution or bank?

5- Have any institution that you managed or held a senior position therein, been previously liquidated or declared bankrupt?

If the answer is “yes” to questions 4 and 5, please give details

SIXTH: INFORMATION RELATING TO THE FINANCIAL POSITION OF THE NOMINEE

1- Have you ever abstained from paying any outstanding debt to any local or foreign banks, investment companies or any other bodies ?

If the answer is “yes”, please give details

2- Have you ever entered into an amicable settlement with your creditors in Kuwait or overseas?

If the answer is “yes”, please give details

3- Have you ever been adjudicated bankrupt, whether in Kuwait or overseas?

If the answer is “yes”, please give details and the date of issuing the court ruling.

Signature of the Officer in Charge

Signature of the Nominee

(4)

SEVENTH : OTHER INFOEMATION

- 1- Have you ever been convicted for a crime of immorality or dishonesty, whether in Kuwait or overseas?

- 2- Have you ever been punished by a disciplinary action by any of the former employment bodies, including service termination or removal from office, whether in Kuwait or overseas?

If the answer is “yes”, please give details, and the date of issuing the court ruling or the penalty resolution

- 3- What is the percentage of your participation in the capital of the Bank for which board membership you are nominated, whether directly or indirectly? (if percentage of ownership exceeds 5% of the bank’s capital, please complete the attached statement concerning direct and indirect ownership).

- 4- Any other information the nominee would like to add

**“PLEASE ATTACH ANY ADDITIONAL DOUCMENTS OR INFORMATION
YOU WOULD LIKE TO ADD”**

Declaration & Undertaking

I, -----, the nominee for the position of Board Member at -----Bank, do certify and attest that all data reported in this form are true and correct, and hereby declare my full responsibility therefor. I undertake to immediately notify of any amendments to the data reported under items 5, 6 and 7 from the date of submitting the form. I declare as well that I have read the first paragraph of Article (259) of the Penal Code which reads : “If an act of forgery is committed in an official instrument or in any of the banks documents, penalty shall be imprisonment for a period not exceeding 7 years. A fine not exceeding KD 525/- may be additionally imposed”.

I am well aware that the submission of incorrect or misleading information to any authority concerned with the completion of the nomination forms, shall constitute an act of forgery in banks documents as referred to in the above mentioned article. I also declare that I have read the Guide on “Duties and Responsibilities of the Members of Banks Boards of Directors” issued by the Central Bank of Kuwait.

Signature of the Officer in Charge

The Nominee:

Name: -----

Signature: -----

Date: -----

Declaration

The undersigned declares that the data contained in this form is correct and has been reviewed and verified by the bank within the limits of the available information.

Name : -----

Chairman "Managing Director"

Signature : -----

Central Bank of Kuwait's Printing Press

The following documents must be distributed to the nominees along with this form:

- 1- The Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under Article (68) of Law No. 32 of 1968 and its amendments.
- 2- Statement of direct and indirect ownership in the bank for which board membership the nominee is nominated.
- 3- The Guide on "Duties and Responsibilities of the Members of Banks' Boards of Directors".

Statement of Direct and Indirect Ownership in the Bank by the Nominee to Its Board Membership

Bank :

Name of Nominee:

No. of issued capital shares:

Nominee and interrelated parties	Legal status	Date of acquisition	Method of acquisition ⁽¹⁾	No. of acquired shares	Ownership percentage	Date of Central Bank's approval ⁽²⁾	Remarks ⁽³⁾
First: Data on direct ownership:							
Second : data on indirect ownership ⁽⁴⁾ a- Names of interrelated parties through common ownership and directorship: ⁽⁵⁾ 1- 2- 3-							
Total for (A)							
B- Names of parties with interrelated interests ⁽⁵⁾ 1- 2- 3-							
Total for (B)							
Total for (A+B)							
Total for direct and indirect ownership (first+second)							

- 1) Method of acquisition (during incorporation stage – public subscription – purchase from secondary market – acquisition against debt – inheritance – testament – other).
- 2) Date of approving the acquisition of more than 5% of the issued capital of the bank.
- 3) Cases of ownership exceeding the 5% and existing before the effective date of the Law No. 28 of 2004 on 15/03/2004 must be reported in the remarks column.
- 4) According to the rules and regulations defining the concept of indirect ownership, as per the Central Bank of Kuwait Board of Directors Resolution of 04/04/2004.
- 5) A statement must be attached to contain the full details of these parties (name-nationality-legal constitution-civil ID No.- commercial registration No. – nature of business – other information).

Nomination Form*
for the Position of Managing Director,
or the position of Chief Executive Officer,
His Deputy or Assistant

At: -----Bank

* Based on the rules of the revised Article (68) of Law No. 32 of 1968 concerning Currency, The Central Bank of Kuwait and the Organization of the Banking Business, and the Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under the said article.

Nomination Form

For the Position of Managing Director, or the position of Chief Executive Officer, His Deputy or Assistant

At : -----Bank

FIRST : NOMINEE'S PERSONAL INFORMATION

- 1- Name : -----
- 2- Date of birth: : -----
- 3- Place of birth : -----
- 4- Nationality : -----
- 5- Civil ID No. (If any): -----

SECOND : ACADEMIC QUALIFICATIONS

Academic Qualifications	Specialized Qualifications	Date of Graduation	Name of institution of Graduation
1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----

"Please attach academic degrees, or official certified copies thereof"

Signature of the Officer in Charge

Signature of the Nominee

(2)

THIRD : THE POSITIONS HELD BY NOMINEE IN BANKING OR FINANCIAL INSTITUTIONS

	Name of Institution	Position	Period	
			From	To
1-	-----	-----	-----	-----
2-	-----	-----	-----	-----
3-	-----	-----	-----	-----
4-	-----	-----	-----	-----
5-	-----	-----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS”

FOURTH: THE BANK’S EVALUATION OF THE TECHNICAL AND LEADERSHIP ABILITIES QUALIFYING THE NOMINEE FOR OCCUPYING THE POSITION HE IS NOMINATED FOR

- 1- -----
- 2- -----
- 3- -----
- 4- -----
- 5- -----

Signature of the Officer in Charge

Signature of the Nominee

(3)

FIFTH : CURRENT ACTIVITY PRACTICED BY THE NOMINEE

- 1- Type of Activity -----
- 2- Name of the institution through which you practice the activity -----
- 3- Period of practicing the activity -----

“PLEASE ATTACH SUPPORTING DOCUMENTS”

- 4- Do you participate in managing another institution which practices an activity competing with or similar to the activity of the institution in which you are nominated to occupy a position?

- 5- Have any institution that you managed or held a senior position therein, been previously liquidated or declared bankrupt?

If the answer is “yes” to questions 4 and 5, please give details

SIXTH : INFORMATION RELATING TO THE FINANCIAL POSITION OF THE NOMINEE

- 1- Have you ever abstained from paying any outstanding debt to any local or foreign banks, investment companies or any other bodies ?

If the answer is “yes”, please give details

- 2- Have you ever entered into an amicable settlement with your creditors in Kuwait or abroad?

If the answer is “yes”, please give details

- 3- Have you ever been adjudicated bankrupt, whether in Kuwait or abroad?

If the answer is “yes”, please give details and the date of issuing the court ruling

Signature of the Officer in Charge

Signature of the Nominee

(4)

SEVENTH : OTHER INFORMATION

1- Have you ever been convicted for a crime of immorality or dishonesty, whether in Kuwait or overseas?

2- Have you ever been punished by a disciplinary action by any of the former employment bodies, including service termination or removal from office, whether in Kuwait or overseas?

If the answer is “yes”, please give details, and the date of issuing the court ruling or the penalty resolution

3- Any other information the nominee would like to add.

“PLEASE ATTACH ANY ADDITIONAL DOUCMENTS OR INFORMATION YOU WOULD LIKE TO ADD”

Declaration & Undertaking

I, -----, the nominee for the position of Board Member ...at -----Bank, do certify and attest that all data reported in this form are true and correct, and hereby declare my full responsibility therefor. I undertake to immediately notify of any amendments to the data reported under items 5, 6 and 7 from the date of submitting the form. I declare as well that I have read the first paragraph of Article (259) of the Penal Code which reads : “If an act of forgery is committed in an official instrument or in any of the banks documents, penalty shall be imprisonment for a period not exceeding 7 years. A fine not exceeding KD 525/- may be additionally imposed”.

I am well aware that the submission of incorrect or misleading information to any authority concerned with the completion of the nomination forms, shall constitute an act of forgery in banks documents as referred to in the above mentioned article

Signature of the Officer in Charge

The Nominee:

Name: -----

Signature: -----

Date: -----

Declaration

The undersigned declares that the data continued in this form is correct and has been reviewed and verified by the bank within the limits of the available information .

Name : -----

Chairman "Managing Director"

Signature : -----

Central Bank of Kuwait's Printing Press

The Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under Article (68) of Law No. 32 of 1968 and its amendments, is to be distributed along with this form.

THE GOVERNOR

Thul-Qi'da 17,1430 H
November 05,2009

The Chairman,

Circular No. (2/BS,IBS/250/2009) to all Local Banks

This has reference to the Central Bank of Kuwait Board of Directors resolution No. (57/322/2006), and its amendments, regarding the rule and regulations for the experience required under Article 68, as amended, of Law No. 32 of 1968, concerning Currency, the Central Bank of Kuwait, and the Organization of the Banking Business, and its amendments.

We would like to advise you that an amendment was made on the forms used in the event of nomination for the membership of a bank's board of directors, and nomination for the post of Managing Director, Chief Executive Officer or his Deputy or Assistant, obliging the nominee to attach to the application for nomination a certificate from the Criminal Execution and External Communication Office at the Ministry of Justice, showing the definitive rulings passed against him, if any. The period from the date of issuance of the certificate to the date of submission of the application for nomination to the membership of the board, Managing Director, Chief Executive Officer or his Deputy or Assistant, to the Central Bank of Kuwait, should not exceed one month.

Kindly operate the above amendment with effect from this date, and provide us with the above-mentioned certificate along with the applications to be submitted to the Central Bank of Kuwait on the currently utilized print forms.

With my best wishes,

The Governor
Salem Abdul Aziz Al-Sabah

THE GOVERNOR

*Muharram 13,1431 H
December 30,2009*

The Chairman,

Circular No. (2/BS,IBS/254/2009) to all Local Banks

This is made in reference to Circular No. (2/BS,IBS/250/2009), dated 05/11/2009, obliging nominees to the membership of the board of directors, and to the position of the Managing Director, Chief Executive Officer and his Deputy and Assistant, to attach to the application for nomination a certificate from the Criminal Execution and External Communications Office at the Ministry of Justice, showing the definitive rulings passed against him, if any.

In order to facilitate this process, coordination and agreement were made with the Prosecution of Criminal Execution and External Communications at the Ministry of Justice on the following mechanism to obtain the required certificate:

1. Correspondence shall be made by the concerned bank, giving names of its nominees required for inquiry, and the concerned bank shall receive the response from the Prosecution of Criminal Execution and External Communications.
2. The letter sent by the bank shall be signed by the chairman, Managing Director, or Chief Executive Officer, rather than by a lower functional level.
3. The sent letter should allow the Public Prosecution a period of 3-4 weeks for response.
4. Correspondence should be addressed to Mr. Omar Al-Masoud, Deputy Director, Justice Palace, First Floor, Office 226.

Kindly abide by the above mechanism⁽¹⁾ to obtain the certificate required for the above nominees, as any applications for nomination not satisfying the above certificate shall not be considered.

With my best wishes,

**The Governor
Salem Abdul Aziz Al-Sabah**

⁽¹⁾ Circular No. (2/BS,IBS/255/2010) listed under Item (L) of this chapter concerning the amended mechanism in order to obtain the required certificate for the nominees.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

K) Circular No. (2/BS,IBS/254/2009) concerning the mechanism agreed upon with the prosecution of Criminal Execution and External Communications at the Ministry of Justice, for obtaining the required certificate for the nominees to bank's board membership, and to the position of Managing Director, Chief Executive Officer or his Deputy and Assistant.

THE GOVERNOR

*Rabi-Uthani 05,1431 H
March 21,2010*

The Chairman,

Circular No. (2/BS,IBS/255/2010) to all Local Banks

Reference is made to the Circular No. (2/BS,IBS/254/2009), dated 30/12/2009, concerning the modified mechanism with the Prosecution of Criminal Execution and International Cooperation for obtaining the a certificate that contains final and definitive rulings issued against the nominees to bank board membership, and to the position of Managing Director, Chief Executive Officer and his Deputy and Assistant, if any.

We would like to report that some amendments have been made to the said mechanism, at the request of Prosecution of Criminal Execution and International Cooperation to avoid inconsistencies that may occur in some cases.

The following will demonstrate the amended mechanism¹ that your bank is obliged to follow to obtain the mentioned required certificates, taking into account that no application for nomination will be considered unless it meets the above mentioned certificate:

1. Correspondence shall be made by the concerned bank, giving names of the nominees required for inquiry, and the letter sent by the bank shall be signed by the chairman, Managing Director, or Chief Executive Officer, and not by a lower functional level.
2. Correspondence should be addressed to Mr. Omar Al-Masoud, Deputy Director of the Prosecution of Criminal Execution and International Cooperation, Justice Palace, First Floor, Office (226)⁽²⁾.
3. The style of wording when applying for the certificate shall be as follows: "Submit a detailed certificate containing final and definitive rulings issued against ----- and his criminal record".
4. The sent letter should allow the Public Prosecution a period of 4-6 weeks for response.

⁽¹⁾ Circular No. (2/BS,IBS/400/2017) listed under item (O) of this chapter concerning amendment of the mechanism for obtaining the Certificate of Criminal Execution and International Cooperation, for obtaining the certificates of definitive rulings issued against the nominees to bank board membership, and the position of Chief Executive Officer or his Deputy and Assistant.

⁽²⁾ Circular No. (2/BS,IBS/265/2010) listed under Item (M) of this chapter concerning changing the correspondences' style in order to obtain the certificate.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

L) Circular No. (2/BS,IBS/255/2010) concerning the modified mechanism with the Prosecution of Criminal Execution and International Cooperation at the Ministry of Justice, for obtaining a certificate that contains final and definitive rulings issued against the nominees to bank board membership, and the position of Managing Director, Chief Executive Officer or his Deputy and Assistant.

5. A telephone number from the Public Prosecution (22998438), which belongs to Mr. Mohammed Abdul-Hadi has been determined in order to inquire from him by telephone about the situation of special certificates of the bank's nominees. The bank representative must deliver the certificates to the Public Prosecution once they are finished with them. **The bank must abide by the above mechanism in order to ensure regularity and facilitate the completion of this process.**

With my best wishes,

**The Governor
Salem Abdul Aziz Al-Sabah**

THE EXECUTIVE DIRECTOR

Ramadhan 23,1431 H
September 02,2010

The General Manager,

Circular No. (2/BS,IBS/265/2010) to All Local Banks

Further to the Circular issued on 30/12/2009 by the Central Bank of Kuwait concerning the applied mechanism to obtain the certificate that contains the final and definitive rulings, if any, issued against the nominees to bank board membership, and the position of Managing Director, Chief Executive Officer and his Deputy and Assistant.

Please note that all correspondences to obtain the required certificate must be addressed to Mr. Mohammad Rashid Al-Daij, Head of Prosecution of Criminal Execution and International Cooperation at the Ministry of Justice. The mechanism stated in the circular issued on 30/12/2009 must be abided by.

Best Regards,

Executive Director of Supervision Sector
Yousef Jassem Al Obaid

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

M) Circular No. (2/BS,IBS/265/2010) concerning changing the correspondences' style in order to obtain the certificate that contains final and definitive rulings issued against the nominees to bank board membership, and the position of Managing Director, Chief Executive Officer and his Deputy and Assistant.

THE EXECUTIVE DIRECTOR

*Jumada Aloula 14,1432 H
April 17,2011*

The General Manager,

Circular to All Local Banks

With reference to the decision of the Board of Directors of the Central Bank of Kuwait No. (57/322/2006) and its amendments concerning rules and regulations for the experience required for members of the board of directors and the executive staff, as per amended Article (68) of Law No.(32) of 1968 and its amendments. And following our letter sent on 24/06/2007 regarding the amendments being made on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a The Managing Director, or Chief Executive Officer or his Deputy or Assistant.

In addition to the circulars issued in this regard, the most recent of which was No. (2/BS,IBS/265/2010) dated 02/09/2010 concerning the modified mechanism, with the Prosecution of Criminal Execution and External Communications at the Ministry of Justice, for obtaining the a certificate that contains final and definitive rulings issued against nominees for the membership of the Bank's Board of Directors, and for the position of Managing Director, Chief Executive Officer and his Deputy and Assistant, if any.

In accordance to the amendments on the circulars mentioned above, we would like to note that there are some amendments made on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer or his Deputy or Assistant based on the item "seven".

Attached herewith are the following:

1. No. (10) nomination forms for a bank Board Membership. (Kuwaiti banks only).
2. No. (10) nomination forms for the position of the Managing Director, or the position of the Chief Executive Officer, his Deputy or Assistant.

Best Regards,

**Executive Director of Supervision Sector
Yousef Jassem Al Obaid**

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

Nomination Form* **for the Position of a Board Member**

At: -----Bank

* Based on the rules of the revised Article (68) of Law No. 32 of 1968 concerning Currency, The Central Bank of Kuwait and the Organization of the Banking Business, and the Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under the said article.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

Nomination Form

For the Position of Board Member

At : -----Bank

FIRST : NOMINEE'S PERSONAL INFORMATION

1- Name : -----

2- Date of Birth: : -----

3- Place of Birth : -----

4- Nationality : -----

5- Civil ID No.(If any): -----

SECOND : ACADEMIC QUALIFICATIONS

Academic Qualifications	Specialized Qualifications	Date of Graduation	Name of Institution of Graduation
1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----

“Please attach academic degrees, or official certified copies thereof”

Signature of the Officer in Charge

Signature of the Nominee

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

(2)

THIRD: BOARD MEMBERSHIP OCCUPIED BY THE NOMINEE IN WELL-KNOWN LOCAL OR FOREIGN BANKS OR FINANCIAL INSTITUTIONS, OR IN PUBLIC INSTITUTIONS OR FINANCIAL OR ECONOMICAL PUBLIC BODIES

Name of the Entity

**Membership Period
From To**

1- -----	-----	-----
2- -----	-----	-----
3- -----	-----	-----
4- -----	-----	-----
5- -----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS, AND COPIES OF THE GENERAL ASSEMBLY RESOLUTIONS, OR APPROVALS ISSUED IN THIS REGARD”

FOURTH : KEY JOBS AND POSITIONS OCCUPIED BY THE NOMINEE WITH GOVERNMENT BODIES OR STATE INSTITUTIONS, OR BANKING OR FINANCIAL INSTITUTIONS

**Name of Government
Body or Institution**

**Job or
Position**

**Period of Employment
From To**

1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----
5- -----	-----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS”

Signature of the Officer in Charge

Signature of the Nominee

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

FIFTH : CURRENT ACTIVITY PRACTICED BY THE NOMINEE

- 1- Type of Activity : _____
- 2- Name of the institution through which you practice the activity _____
- 3- Period of Practicing the activity _____

“PLEASE ATTACH SUPPORTING DOCUMENTS”

- 4- Do you participate in managing another competitor institution or bank?

- 5- Have any institution that you managed or held a senior position therein, been previously liquidated or declared bankrupt?

If the answer is “yes” to questions 4 and 5, please give details

SIXTH: INFORMATION RELATING TO THE FINANCIAL POSITION OF THE NOMINEE

- 1- Have you ever abstained from paying any outstanding debt to any local or foreign banks, investment companies or any other bodies ?

If the answer is “yes”, please give details

- 2- Have you ever entered into an amicable settlement with your creditors in Kuwait or abroad?

If the answer is “yes”, please give details

- 3- Have you ever been adjudicated bankrupt, whether in Kuwait or abroad ?

If the answer is “yes”, please give details and the date of issuing the court ruling.

Signature of the Nominee

Signature of the Officer in Charge

(4)

SEVENTH : OTHER INFORMATION

1- Have you ever been convicted for a crime of immorality or dishonesty, whether in Kuwait or overseas?

2- Have you ever been punished by a disciplinary action by any of the former employment bodies, including service termination or removal from office, whether in Kuwait or overseas?

If the answer is “yes”, please give details, and the date of issuing the court ruling or the penalty resolution

3- What is the percentage of your participation in the capital of the Bank for which board membership you are nominated, whether directly or indirectly? (if percentage of ownership exceeds 5% of the bank’s capital, please complete the attached statement concerning direct and indirect ownership).

4- Any other information the nominee would like to add

Please attach a certificate from the Prosecution of Criminal Execution and International Cooperation at the Ministry of Justice that includes the final rulings against the nominee, if any. It must be taken into consideration that the period from issuance date of the certificate to the date of submitting the nomination application to the Central Bank Kuwait should not exceed one month. In addition, attach any additional documents or information you would like to add.

Declaration & Undertaking

I, -----, the nominee for the position of Board Member at -----Bank, do certify and attest that all data reported in this form are true and correct, and hereby declare my full responsibility therefor. I undertake to immediately notify of any amendments to the data reported under items 5, 6 and 7 from the date of submitting the form. I declare as well that I have read the first paragraph of Article (259) of the Penal Code which reads : “If an act of forgery is committed in an official instrument or in any of the banks documents, penalty shall be imprisonment for a period not exceeding 7 years. A fine not exceeding KD 525/- may be additionally imposed”.

I am well aware that the submission of incorrect or misleading information to any authority concerned with the completion of the nomination forms, shall constitute an act of forgery in banks documents as referred to in the above mentioned article. I also declare that I have read the Guide on “Duties and Responsibilities of the Members of Banks’ Boards of Directors” issued by the Central Bank of Kuwait.

Signature of the Officer in Charge

The Nominee:

Name: -----

Signature: -----

Date: -----

Declaration

The undersigned declares that the data contained in this form is correct and has been reviewed and verified by the bank within the limits of the available information.

Name : -----

Chairman "Managing Director"

Signature : -----

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

- N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank’s Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

Central Bank of Kuwait's Printing Press

The following documents must be distributed to the nominees along with this form:

1. The Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under Article (68) of Law No. 32 of 1968 and its amendments.
2. Statement of direct and indirect ownership in the bank for which board membership the nominee is nominated.
3. The Guide on "Duties and Responsibilities of the Members of Banks' Boards of Directors".

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

- N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

Nomination Form*
for the Position of Managing Director,
or the position of Chief Executive Officer
or His Deputy or Assistant

At: -----Bank

* Based on the rules of the revised Article (68) of Law No. 32 of 1968 concerning Currency, The Central Bank of Kuwait and the Organization of the Banking Business, and the Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under the said article.

Nomination Form

For the Position of a Managing Director, or the position of a Chief Executive Officer or his Deputy or Assistant

At : -----Bank

FIRST : NOMINEE'S PERSONAL INFORMATION

- 1- Name : -----
- 2- Date of birth: : -----
- 3- Place of birth : -----
- 4- Nationality : -----
- 5- Civil ID No.(If any): -----

SECOND : ACADEMIC QUALIFICATIONS

Academic Qualifications	Specialized Qualifications	Date of Graduation	Name of Institution of Graduation
1- -----	-----	-----	-----
2- -----	-----	-----	-----
3- -----	-----	-----	-----
4- -----	-----	-----	-----

“Please attach academic degrees, or official certified copies thereof”

Signature of the Officer in Charge

Signature of the Nominee

(2)

THIRD : POSITIONS HELD BY NOMINEE IN BANKING OR FINANCIAL INSTITUTIONS

	Name of Institution	Position	Period	
			From	To
1-	-----	-----	-----	-----
2-	-----	-----	-----	-----
3-	-----	-----	-----	-----
4-	-----	-----	-----	-----
5-	-----	-----	-----	-----

“PLEASE ATTACH SUPPORTING DOCUMENTS”

FOURTH: THE BANK’S EVALUATION OF THE TECHNICAL AND LEADERSHIP ABILITIES QUALIFYING THE NOMINEE FOR OCCUPYING THE POSITION HE IS NOMINATED FOR

- 1- -----
- 2- -----
- 3- -----
- 4- -----
- 5- -----

Signature of the Officer in Charge

Signature of the Nominee

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank’s Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

FIFTH : CURRENT ACTIVITY PRACTICED BY THE NOMINEE

1- Type of Activity : _____

2- Name of the institution through which you practice the activity _ _ _ _ _

3- Period of Practicing the activity _ _ _ _ _

“PLEASE ATTACH SUPPORTING DOCUMENTS”

4- Do you participate in managing another competitor institution or bank?

5- Have any institution that you managed or held a senior position therein, been previously liquidated or declared bankrupt?

If the answer is “yes” to questions 4 and 5, please give details

SIXTH: INFORMATION RELATING TO THE FINANCIAL POSITION OF THE NOMINEE

1- Have you ever abstained from paying any outstanding debt to any local or foreign banks, investment companies or any other bodies ?

If the answer is “yes”, please give details

2- Have you ever entered into an amicable settlement with your creditors in Kuwait or abroad?

If the answer is “yes”, please give details

3- Have you ever been adjudicated bankrupt, whether in Kuwait or abroad ?

If the answer is “yes”, please give details and the date of issuing the court ruling.

Signature of the Nominee

Signature of the Officer in Charge

SEVENTH : OTHER INFORMATION

1- Have you ever been convicted for a crime of immorality or dishonesty, whether in Kuwait or overseas?

2- Have you ever been punished by a disciplinary action by any of the former employment bodies, including service termination or removal from office, whether in Kuwait or overseas?

If the answer is “yes” for 1, 2, please give details, and the date of issuing the court ruling or the penalty resolution

3- Any other information the nominee would like to add

Please attach a certificate from the Prosecution of Criminal Execution and International Cooperation at the Ministry of Justice that includes the final rulings against the nominee, if any. It must be taken into consideration that the period from issuance date of the certificate to the date of submitting the nomination application to the Central Bank Kuwait should not exceed one month. In addition, attach any additional documents or information you would like to add.

Declaration & Undertaking

I, -----, the nominee for the position of Board Member at -----Bank, do certify and attest that all data reported in this form are true and correct, and hereby declare my full responsibility therefor. I undertake to immediately notify of any amendments to the data reported under items 5, 6 and 7 from the date of submitting the form. I declare as well that I have read the first paragraph of Article (259) of the Penal Code which reads : “If an act of forgery is committed in an official instrument or in any of the banks documents, penalty shall be imprisonment for a period not exceeding 7 years. A fine not exceeding KD 525/- may be additionally imposed”.

I am well aware that the submission of incorrect or misleading information to any authority concerned with the completion of the nomination forms, shall constitute an act of forgery in banks documents as referred to in the above mentioned article.

Signature of the Officer in charge

The Nominee:

Name: -----

Signature: -----

Date: -----

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

(5)

Declaration

The undersigned declares that the data contained in this form is correct and has been reviewed and verified by the bank within the limits of the available information.

Name: -----

Chairman “Managing Director”

Signature: -----

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank’s Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

The Central Bank of Kuwait's Printing Press

The following document must be distributed along with the Central Bank of Kuwait Board of Directors' Resolution No. (57/322/2006) concerning the rules and regulations governing the experience required under Article (68) of Law No. 32 of 1968 and its amendments.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO.(32) OF 1968.

- N) Circular concerning making some amendments on the forms used in the case of nomination for membership of the Bank's Board of Directors, and the nomination for the post of a the Managing Director, or Chief Executive Officer, his Deputy or Assistant based on the item «seven».

THE GOVERNOR

*Jumada Alakhira 28, 1438 H
March 26, 2017*

The Chairman,

Circular No. (2/BS,IBS/400/2017) to all Local Banks

With reference to the circular issued by the Central Bank of Kuwait on 21/03/2010 concerning the mechanism used to obtain the certificate that includes the definitive rulings, issued against the nominees for the Board of Directors and the Managing Director and Chief Executive Officer and his Deputy and Assistant.

We would like to inform you that an amendment has been made to the mentioned mechanism, based on the coordination with the Prosecution of Criminal Execution and International Cooperation. The following is the amended mechanism for obtaining the required certificates:

- 1) Correspondences must be sent from the relevant bank containing the names of the requested persons to be enquired about. The sent letter must be signed by the chairman of the Board of Directors or the Chief Executive Officer, and not by a lower level of employment.
- 2) Correspondences must be directed to the manager of the Prosecution of Criminal Execution and International Cooperation - Justice Palace.
- 3) Attach a delegated authorization with the signature of the person being enquired about, allowing the bank to request the certificate from the Prosecution of Criminal Execution and International Cooperation.
- 4) The style of wording when applying for the certificate shall be as follows:
“Submit a detailed certificate containing final and definitive rulings issued against ----- and his criminal record”
- 5) The sent correspondence must provide a period of four to six weeks for the Prosecution of Criminal Execution and International Cooperation to respond.
- 6) The contact number (22430356) at the Prosecution of Criminal Execution and International Cooperation has been identified for any phone inquiry about the readiness of the certificates of the Bank's nominees, provided that a representative of the Bank shall attend to receive these certificates.

With my best wishes,

**The Governor
Dr. Mohammad Y. Al-Hashel**

THE GOVERNOR

*Ramadhan 18, 1438 H
June 13, 2017*

The Chairman,

**Circular No. (2/BS, IBS/404/2017) For Local Banks Concerning
the Rules and Regulations Related to the Experience Required
under Article (68) of Law No. 32 of 1968 and its Amendments.**

With reference to the Central Bank of Kuwait Board of Directors' resolution No. (57/322/2006), amended on 05/06/2007 concerning the rules and regulations for the experience required under Article (68) of Law No. 32 of 1968 on Currency, the Central Bank of Kuwait and the Organization of the Banking System and its amendments.

We would like to inform you that the Central Bank of Kuwait Board of Directors, at its meeting of 13/06/2017, stipulated its amendments on the mentioned rules and regulations for the experience required under Article (68) and passed its resolution no. (43-a/422/2017) in this regard. This new resolution includes the new rules regulating the delegation of the boards of directors of banks to any of its members or third parties to carry out a specific work, supervise a particular activity, or exercise some of the board's powers, in light of what is required by Article (185) of the Companies Law No. (1) of 2016 and its amendments. In addition to amending the terms of the required expertise for who shall be appointed as the Chief Executive Officer of the bank or his Deputies or Assistants, in respect of the years and nature of the experience required to fill these positions. As well as adding some senior positions in which their occupants must meet the conditions of experience required in accordance with the provisions of Article (4) of this resolution.

Attached is a copy of resolution no. (43-a/422/2017)⁽¹⁾ concerning the rules and regulations for the experience required under Article (68) of Law No. 32 of 1968 and its amendments for local banks.

Best Regards,

**The Governor
Dr. Mohammad Y. Al-Hashel**

⁽¹⁾ This resolution was amended by the Circular No. (2/BS,IBS/447/2019) listed under Item (R) of these Instructions.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO. (32) OF 1968.

P) Circular No. (2/BS,IBS/404/2017) with an attachment of Resolution No. (43-a/422/2017) concerning the rules and regulations related to the experience required under Article (68) of Law No. (32) of 1968 and its amendments for local banks.

Resolution no. (43-a/422/2017)⁽¹⁾ Concerning the Rules and Regulations for the Experience Required under Article (68) of Law No. (32) of 1968 and its Amendments for Local Banks

The Central Bank of Kuwait Board of Directors,

Having reviewed:

- Article (68) of Law No. 32 of 1968 concerning, Currency, the Central Bank of Kuwait, and the Organization of the Banking System, and its amendments.
- Law No. (1) of 2016, disseminating the Companies Law and its amendments.
- The Central Bank of Kuwait Board of Directors' resolution No. (57/322/2006) and its amendments on 05/06/2007 concerning the mentioned rules and regulations for the experience required under Article (68) of Law No. 32 of 1968.

Has resolved as follows:

Article One

In order to meet the condition of experience provided under Article (68) of Law No. 32 of 1968, and its amendments, a nominee for a bank board membership should satisfy one of the following conditions:

- 1) Should hold a university degree or be a graduate of one of the applied education institutes specialized in the economic, financial or banking studies, and should have the following experience:
 - A. Holders of university degrees in the economic, legal or administrative studies should have five year experience in the said areas, or in the banking or financial field.
 - B. Holders of university degrees in other disciplines should have seven year experience in banking or financial field.
 - C. Holders of certificates from one of the specialized applied education institutes should have ten year experience in banking or financial field.

As for the nominees for the membership of specialized banks' board of directors, if the nominee does not satisfy the above experience conditions, then it is stipulated that the nominee should have experience in the business field of the respective specialized bank. For a nominee holding a university degree in any field, he must have a minimum experience of five years, while a nominee holding

⁽¹⁾ This resolution was amended by the Circular No. (2/BS,IBS/447/2019) listed under Item (R) of these Instructions.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO. (32) OF 1968.

P) Circular No. (2/BS,IBS/404/2017) with an attachment of Resolution No. (43-a/422/2017) concerning the rules and regulations related to the experience required under Article (68) of Law No. (32) of 1968 and its amendments for local banks.

a certificate from specialized institutions of applied education must have a minimum experience of seven years, whether in the banking or financial field, or in the business field of the respective specialized bank.

Or

- 2) Had previously held board membership, for a minimum of six years, in local or foreign recognized banks or financial institutions, or in public institutions or financial or economic public bodies.

Or

- 3) Had held, for a minimum of three years, key positions in banking or financial institutions, with functions related to the basic activities of the institution.

Or

- 4) In the event the nominee does not meet the conditions specified under items 2 and 3, it may be possible to rely upon his total experience in board membership and key positions in banking or financial institutions together, so that his total experience in the said areas would be a minimum of six years.

Or

- 5) Has been a businessman of recognized and licensed commercial, economic or financial activity for at least ten years, and the Central Bank of Kuwait believes that such activity provides the nominee with the experience useful for his position as a bank board member.

Or

- 6) Has occupied for at least three years the position of Minister or its equivalent, or the position of Ambassador in the diplomatic body, or a key position in government bodies or state institutions, in accordance with the law and system of civil service. The Central Bank of Kuwait Board of Directors will decide whether the position occupied by the nominee has provided him with experience useful for his work as a bank board member.

Article Two

The Central Bank of Kuwait shall determine the terms of the required experience for those who are delegated by the Board of Directors in a bank to one of its members or to any other to perform a specific work, or supervise the bank's activities, or exercise some and of the Board's powers. The Central Bank of Kuwait shall also determine whether the terms of the required experience shall be applied on the Chief Executive Officer of the bank or his Deputy or Assistant in accordance with Articles (3) and (4) of this Resolution, depending on the type, size and nature of the delegation to be issued by the Board of Directors.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO. (32) OF 1968.

P) Circular No. (2/BS,IBS/404/2017) with an attachment of Resolution No. (43-a/422/2017) concerning the rules and regulations related to the experience required under Article (68) of Law No. (32) of 1968 and its amendments for local banks.

In this respect, the banks must submit a detailed description of the type, nature and size of the delegation to be issued to the Central Bank of Kuwait. Furthermore, the Central Bank of Kuwait's prior approval must be obtained for the nominee to the delegation by the Board of Directors prior to delegation. Henceforth, the same procedures shall be followed for the approval of the Central Bank of Kuwait for nominees for the post of Chief Executive Officer or his Deputy or Assistant.

Article Three

In order to meet the experience requirement provided for under Article (68) of the said law, a nominee for the position of a bank Chief Executive Officer should satisfy the following conditions:

- 1) Must hold a university degree in economics, legal or administrative sciences.⁽¹⁾
- 2) Must have a minimum of 15 years of work experience, of which a minimum of 12 year experience in a banking, financial, or economic affairs related to the business of banking activities, and a minimum of 7 years in key executive positions in these areas.
- 3) Must possess professional and leadership capabilities that qualify him for this position.

Article Four

In order to meet the experience requirement provided under Article (68) of the said law, a nominee for the position of Deputy or Assistant Chief Executive Officer of a bank should satisfy the following conditions.

- 1) Must hold a university degree in economics, legal or administrative sciences.
- 2) Must have a work experience of no less than 13 years, of which at least 10 years were in a banking, financial, or economic affairs that are related to the business of banking activities, with a minimum of 5 years in key executive positions in these areas.
- 3) Must possess the professional and leadership capabilities that qualify him for this position.

Deputy or Assistant Chief Executive Officer of a bank, who is required to meet the aforesaid conditions, is meant to be the person who carry out the important functions related to the nature of the bank's activities, such as credit/finance, investment, treasury, internal audit, risks, information technology, operations, and other banking functions.

⁽¹⁾ This item was amended by adding "or information technology", according to the Circular No. (2/BS,IBS,FS,IFS/422/2018) listed under Item (Q) of these instructions.

Article Five

In order for the experience required under Articles (One), (Two), (Three) and (Four) of this resolution to be accepted for the nominees, such nominees must have not been previously removed from his position, or attributed to any negligence, omission, or violation of Law No. 32 of 1968 and its amendments during the performance of his duties in banking or financial institutions.

Article Six

The Central Bank Board of Directors may exempt any of the nominees mentioned under Articles (Two), (Three), and (Four) of this resolution from the university degree requirement if the experience and efficiency of such nominee so warrants.

Article Seven

The Central Bank of Kuwait has the right to take the actions necessary for ascertaining that the mentioned nominees under Articles (Two), (Three), and (Four) of this resolution has the professional and leadership capabilities qualifying them for the required positions, including a personal interview with the nominee, if so required.

Article Eight

This resolution shall be in effect from the date of its issuance, and shall be published in the official Gazette.

Dr. Mohammad Y. Al-Hashel

The Governor

Chairman of the Board of Directors of the Central Bank of Kuwait

Ramadhan 18, 1438 H corresponding to June 13, 2017

THE GOVERNOR

*Rabi-ul-Awwal 25, 1440 H
December 03, 2018*

The Chairman,

Circular No. (2/BS, IBS, FS, IFS/422/2018) to all Local Banks and Finance Companies concerning the Rules and Regulations for the Experience required under Article (68) of Law No. 32 of 1968 and its Amendments

Referring to the resolutions of CBK's Board of Directors No. (43-A/422/2017)⁽¹⁾ and No. (43-B/422/2017) on the rules and controls related to the experience required in Article (68) of Law No. 32 of 1968 and its amendments for both local banks and finance companies.

We would to indicate that the CBK's Board of Directors has decided, at its meeting held on 03/12/2018, to amend item (1) of each of Article (3) (regarding who is appointed as the head of the executive body of a bank/finance company) and Article (4) (related to who is appointed Deputy or Assistant Chief Executive Officer of a bank/finance company) from these resolutions, to become as follows:

“1) Have a university degree in economics, legal, administrative or information technology.”

Attached is a copy of CBK's Board of Directors No. (12/433/2018) in this regard.

With my best wishes,

**The Governor
Dr. Mohammad Al-Hashel**

⁽¹⁾ This decision has been amended by Circular No. (2/BS, IBS/447/2019) listed under item (R) of these Instructions.

**Resolution No. (123/433/2018) Amending Resolutions
No. (43-A/422/2017) and No. (43-B/422/2017)⁽¹⁾ Concerning the Rules and
Regulations on the Experience Required in Article (68) of Law No. 32 of 1968
and its Amendments for both Local Banks and Finance Companies**

CBK's Board of Directors

- Perusing Article (68) of Law No. 32 of 1968, concerning the Currency, the Central Bank of Kuwait, and the Organization of Banking Business and its amendments.
- The CBK's Board of Directors' resolutions (43-A/422/2017) and (43-B/42/2017) on the rules and regulations related to the expertise required by Article (68) of Law No. 32 of 1968 and its amendments for local banks and finance companies.

It has been decided:

Article One

Amend clause (1) in both Article (3) (regarding who is appointed as the head of the executive body of a bank/finance company) and Article (4) (related to who is appointed Deputy or Assistant Chief Executive Officer of a bank/finance company) from CBK's Board of Directors' resolutions (43-A/422/2017) and (43-B/422/2017) on the rules and regulations of the expertise required by Article (68) of Law No. 32 of 1968 and its amendments, for both local banks and finance companies, to be as follows:

"1) Have a university degree in economics, legal, administrative or information technology."

Article Two

This decision shall come into force from the date of its issuance and shall be published in the Official Gazette.

Dr. Mohammad Al Hashel
Governor
Chairman of CBK's Board of Directors

Issued on Rabi-ul-Awwal 25, 1440 H corresponding to December 03, 2018

⁽¹⁾ This decision has been amended by the Circular No. (2/BS, IBS/447/2019) listed under Item (R) of these Instructions.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO. (32) OF 1968.

Q) Circular No. (2/BS, IBS, FS, IFS/422/2018) to all local banks and finance companies concerning the rules and regulations related to the experience required in Article (68) of Law No. (32) of 1968 and its amendments.

THE GOVERNOR

*Muharram 11, 1441
September 10, 2019*

The Chairman

Circular No. (2/BS,IBS/447/2019) to all Local Banks Concerning the Rules and Regulations Related to the Experience Required in Article (68) of Law No. 32 of 1968 and its Amendments.

Referring to CBK's Board of Directors resolutions No. (43-A/422/2017) concerning the rules and regulations related to the experience required in Article (68) of Law No. 32 of 1968 and its amendments for local banks.

We would like to inform you that CBK's Board of Directors has decided, at its meeting on 10/09/2019, to amend the rules and regulations related to the expertise required in Article (68) referred to, and issued resolution (89-A/439/2019) in this regard. The new resolution includes the conditions required to be fulfilled by the nominated independent and non-independent members of a bank's board of directors, whereby the six conditions mentioned in Article (1) of the stated resolution shall apply to the **non-independent** nominees, and special conditions are added concerning the **independent** nominees.

Item (2) of Article (4) of the said decision (relating to the designation of a Deputy or Assistant Chief Executive Officer of a bank) shall also be amended with regard to the conditions of expertise required in the technical fields to occupy such posts.

Attached is a copy of CBK's Board of Directors (89-A/439/2019) concerning the rules and regulations on the experience required in Article (68) of Law No. 32 of 1968 and its amendments for local banks.

With my best wishes,

**The Governor
Dr. Mohammad Y. Al-Hashel**

**Circular No. (89-A/439/2019) Concerning the Rules and Regulations
on the Experience Required in Article (68) of Law No. 32 of 1968
and its Amendments for Local Banks**

The Board of Directors of the Central Bank of Kuwait (CBK),

Having perused,

- Article (68) of Law No. 32 of 1968 concerning Currency, the Central Bank of Kuwait, and the Regulation of Banking and its amendments.
- The CBK's Board of Directors' resolutions (43-A/422/2017) and its amendments, concerning the rules and regulations related to the expertise required by Article (68) of Law No. 32 of 1968 and its amendments for local banks.

It has been decided:

Article One

In order to meet the experience condition stipulated in Article (68) of Law No. 32 of 1968 and its amendments, the non-independent candidate for membership in the Board of Directors of a bank shall meet one of the following conditions:

- 1) Have a university degree, or a degree from the applied institutes, and have experience as follows:
 - A. For holders of university degrees in economics, legal, administrative or technical sciences: Five year experience in those fields, or in the banking or finance field. For other university qualifications: 7 year experience in banking or finance fields.
 - B. For holders of degrees from the applied institutes specialized in economic, legal, administrative or technical sciences: seven year experience in those fields, or in the banking or financial field. For other degrees from the applied institutes: Ten year experience in banking or finance fields.
 - C. For candidates of membership in the board of directors in specialized banks, who do not meet the condition of previous experience: Five years of experience in the working field of the specialized bank concerned with membership, for those who obtain university degrees, whatever the major is. On the other hand, candidates obtaining degrees from applied institutes must have seven years of experience in the banking and finance field, or in the working field of the specialized bank concerned with membership.

12- RULES AND REGULATIONS FOR THE EXPERIENCE REQUIRED FOR MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE STAFF, AS PER ARTICLE (68) OF LAW NO. (32) OF 1968.

R) Circular No. (2/BS, IBS/ 447/2019) to all local banks concerning the rules and regulations related to the experience required in Article (68) of Law No. (32) of 1968 and its amendments.

Or

- 2) The candidate have been a board member for at least six years, in well-known local or foreign banks or financial institutions, or in public institutions or public financial or economic bodies.

Or

- 3) The candidate have held leading positions or posts in banking or financial institutions for at least three years.

Or

- 4) If the candidate does not meet the requirements of clauses 2 and 3, his total experience of work as a member in the board of directors, and posts and positions of leadership in both banking or financial institutions can be counted, with a minimum of six years of experience in those areas.

Or

- 5) The candidate is a businessman and to carry out an authorized activity in the commercial, economic or financial fields for a period of at least ten years. Moreover, CBK must evaluate this activity earns the candidate a useful experience in his work as a member of the board of directors of a bank.

Or

- 6) He must have held, for at least three years, the rank of a minister or its equivalent, the rank of an ambassador of the diplomatic field, or a leading position in government bodies or state's institutions in accordance with the Civil Service Commission's Law and Regulations. CBK's Board of Directors may decide whether the position of the candidate has gained him the required experience as a board member of a bank.

Article Two

In order to fulfill the experience conditions stipulated in Article (68) of Law No. 32 for 1968 and its amendments, the independent candidate shall meet the following conditions:

- 1) Have a university degree in economics, legal, administrative or technical sciences.
- 2) Must have a minimum of five-year experience in any of these areas, particularly in relation to governance, risk management, auditing, treasury and investment. In any of those areas. Furthermore, years of experience, all or some, can be in the academic teaching fields of universities or specialized applied institutes in any of these areas.

The conditions of independence shall be fulfilled in accordance with the Governance Instructions issued by CBK regarding the definition of the independent member or any subsequent related instructions issued by the Bank in this regard.

Article Three

CBK shall determine the conditions of expertise required of whom to delegate from a bank's board of directors, whether a member of the board of directors or else, to perform a specific work, supervise any aspect of the bank's activity or exercise some powers and specialties of the board of directors, and whether the conditions of expertise need to be applied on the person appointed as Chief Executive Officer of the bank or his Deputy or Assistant in accordance with the provisions of Articles (4) and (5) of this resolution, based on the type, size and nature of the authorization issued by the board of directors.

In this regard, the banks shall provide CBK with a detailed description of the type, nature and size of the issued delegation, and the obligation to obtain the prior approval of CBK for those nominated by the board of directors prior to commencing the delegation, following the same procedures in place to obtain the approval of the CBK on the candidates filling the position of Chief Executive Officer or his Deputy or Assistant.

Article Four

To fill the position of a Chief Executive Officer in a bank, the following conditions shall be met in order to satisfy the experience stipulated in Article (68) of the aforesaid Law:

- 1) Have a university degree in economics, legal, administrative or technical sciences.
- 2) Have at least 15 years of experience, of which at least 12 years in banking, finance or economic affairs related to their competence in banking activities, with at least 7 years in key executive positions in those areas.
- 3) Have the technical and leadership capabilities to take this position.

Article Five

To fill the position of a Deputy or Assistant Chief Executive Officer, the following conditions shall be met in order to satisfy the experience stipulated in Article (68) of the aforesaid Law:

- 1) Have a university degree in economics, legal, administrative or technical sciences.
- 2) Have at least 13 years of experience, of which at least 10 years in banking, finance or economic affairs related to their competence in banking activities, with at least 5 years in key executive positions in those areas.
- 3) Have the technical and leadership capabilities to take this position.

A Deputy or Assistant Chief Executive Officer of a bank, which must be subject to the conditions indicated, means persons who carry out important business related to the nature of the bank's activities such as credit/finance business, investment, treasury, internal audit, risks, information technology, operations, etc., and other banking operations.

Article Six

To consider the experience condition in candidates stipulated in Articles One, Two, Three, Four and Five of this resolution, a candidate must not have previously been removed from his position, attributed to any negligence or carelessness while performing his duties, or committed acts contrary to Law No. 32 of 1968 and its amendments, during his duty in banking or financial institutions.

Article Seven

CBK's Board of Directors may exempt any of the candidates that are stipulated in Articles Two, Three, Four, and Five of this resolution from the university qualification requirement, if the candidate's experience and competence show that he can be exempted from this condition.

Article Eight

CBK may take the necessary measures to verify the technical and leadership capabilities that qualify the candidates provided for in Articles Two, Three, Four, and Five of this resolution, including a personal interview with the candidate if required.

Article Nine

This resolution shall come into force from the date of its issuance and shall be published in the Official Gazette.

Dr. Mohammad Al-Hashel

The Governor and Chairman of CBK's Board of Directors

Muharram 11, 1441 H corresponding to September 10, 2019