

**23- INSTRUCTIONS REGARDING BANKS TO MAINTAIN
THE CONFIDENTIALITY OF INFORMATION AND DATA
CONCERNING THEIR CUSTOMERS**

GOVERNOR

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THE CHAIRMAN,

Instructions Regarding Banks to Maintain of the Confidentiality of Information and Data concerning their Customers *

As you are aware, maintenance by banks of the confidentiality of information and data available with them on their customers, is considered a main basics of banking business in all the countries of the world, including the State of Kuwait .

In Kuwait, provisions in some legislations emphasize the commitment to maintain the confidentiality of information and data concerning bank customers, and penalize any banks board member or employee who discloses such data and information, as thout being so permitted by the law .

Article (28) of law No.32 of the year 1968 Concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, amended by Decree Law (130) of the year 1977, provided that “ **Unless otherwise permitted by law, no member of the Baord of Directors, manager, officer or employee of the Central Bank shall disclose any information which relates to the affairs of the Bank or its customers, or the affairs of other banks subject to the control of the Central Bank, and to which he has access by reason of the duties of his office; except for the cases where so permitted by the Law “ .**

The last paragraph of the same article provided that Without prejudice to the application of any severer punishment under any other law, anyone who violates the prohibition provided for in the preceding two paragraphs shall be liable to imprisonment for a term not exceeding three months and to the payment of a fine not exceeding two hundred and twenty five Dinars, or to either one of the said penalties, plus dismissal from service in all cases .

** Circulated to all local banks.*

Article (80) of the said Law provided that “ Central Bank officials authorized to conduct inspection shall – during the term of their service and after quitting their jobs – maintain the confidentiality of accounts, books, and documents they review by virtue of their duty . They shall not disclose any information relating to the affairs of banks or institutions inspected, or to the affairs of their customer, except in such cases where it is permissible to do so by law, and that without prejudice to any severer punishment under any other law, every person who violates the prohibition provided for in the preceding paragraph shall be liable to imprisonment for a period not exceeding three month and to the payment of a fine not exceeding two hundred twenty-five Dinars, or to either of these two penalties, plus discharge from service .

Though these provisions are specifically addressed to the Central Bank employees, yet they are considered as the legal basis for the commitment of the Kuwaiti banks employees in general to keep the secrets of the banking business .

Furthermore, Article (43) of Decree Law No.(39) of the year 1980 which integrated in the Civil and Commercial Procedures, “ **the provision prohibiting Lawyers, doctors, agents or others from disclosing any facts or information they become aware of, by reason of their profession or in their capacity there of, even after the expiration of their service or capacity** “ .

The above mentioned legal rules addressing the commitment of banks to keep their customers secrets, are complemented by Article (30) of the Constitution of the State of Kuwait, which provides that “ Personal freedom is secured “ , where personal freedom means everything relating to a human being persona and money .

It is worth mentioning that banks commitment to keeping the confidentiality of each customer’s data and information, is intended to achieve public interest, namely, to create confidence in the country’s banking system and to provide comfort for people that their transactions with banks will not be exposed to the public or disclosed, except in cases where so permitted by the law .

In addition to the punishment which will be imposed on any bank board member, Officer or employee . Who discloses information on the bank's customers, the respective bank will also be subject to legal responsibility and the ensuing financial compensations .

Based on all of the above, and in order to maintain confidence in the Kuwaiti banks, we wish to emphasize to your bank's board member and all staff the need to maintain the confidentiality of the data and information of your bank's customers, as well as the data and information of other banks customers, which they might have accessed by reason of their jobs .

With my best regards,

SALEM ABDUL – AZIZ AI-SABAH