Kuwait – FATF Jurisdictions Under Increased Monitoring | 13 February 2026

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1. Our Position

On 13 February 2026, the FATF placed Kuwait on the list of Jurisdictions Under Increased Monitoring. As a UK-authorised banking subsidiary of a Kuwait-headquartered parent, we are setting out below out our position and the measures we have taken.

National Bank of Kuwait (International) PLC ("NBKI") is incorporated in England and Wales and authorised by the Financial Conduct Authority and the Prudential Regulation Authority]. Our AML/CFT framework – including our risk appetite, compliance policies, customer acceptance decisions, and suspicious activity reporting – is determined independently by our UK compliance function under the authority of our UK-appointed Money Laundering Reporting Officer (SMF17). These arrangements are not subject to group-level override.

We responded to the grey listing within 48 hours. Our Board has been informed of our comprehensive action planning, and we have proactively notified our FCA supervisory team under Principle 11.

2. Context

Grey listing is not a sanctions designation. It means Kuwait has committed to address identified strategic deficiencies within agreed timeframes, subject to FATF monitoring. The FATF's action plan for Kuwait contains three focused items relating to STR reporting outreach, beneficial ownership registry accuracy, and ML investigations for cross-border currency movements. Kuwait was previously grey-listed and successfully exited in February 2015.

FATF POSITION ON GREY-LISTED JURISDICTIONS

The FATF explicitly states that it "does not call for the application of enhanced due diligence measures" to grey-listed jurisdictions, and that its "Standards do not envisage de-risking, or cutting-off entire classes of customers, but call for the application of a risk-based approach."

This is distinct from the FATF blacklist (North Korea, Iran, Myanmar), for which the FATF does call for EDD and countermeasures.

3. Measures underway by NBKI

- Enterprise-Wide Risk Assessment: Kuwait to be reclassified as a high-risk third country under Regulation 33(3)(a) of the UK Money Laundering Regulations 2017. Cascade through customer risk scoring, country risk matrix, and monitoring thresholds.
- Enhanced Due Diligence programme: Structured, phased EDD uplift for all Kuwait-connected customers, built on proven methodology derived from our High-Risk customer management programme. All EDD decisions are reviewed and endorsed by our UK Financial Crime compliance function.
- Automated Transaction monitoring: Rules and scenarios to be recalibrated for Kuwait-linked transactions, with specific attention to the FATF action plan themes (cross-border currency movements, real estate, and DPMS sectors) were possible.
- Intra-group risk assessment: Formal assessment documenting the ML/TF risks arising from the parent bank relationship, the operational independence of our UK compliance function, and the MLRO's independent authority over SAR filing and all compliance decisions.
- Regulatory engagement: Proactive PRIN 11 notification submitted to the FCA. Ongoing engagement with our supervisory team.
- Staff awareness: All relevant staff briefed; targeted training delivered to relationship managers and compliance analysts.

4. Key Assurances

Area	Our Position
UK regulation	We are authorised and regulated in the UK. Our regulatory obligations arise under UK law. The FCA and PRA are our primary supervisors.
Compliance independence	Our MLRO (SMF17) has independent authority over all AML/CFT decisions. SAR filing runs to the UK NCA and cannot be overridden by the parent bank.
Board governance	Our UK Board, including independent non-executive directors under SM&CR, has approved our response and receives regular progress reports.
Speed of response	We responded within 48 hours: EWRA update underway, EDD programme scoped, FCA notified proactively, staff briefed.
Uplift not derogation	The grey listing has resulted in an uplift to our controls. Our risk appetite has not been relaxed.
De-risking	The FATF itself does not call for de-risking of grey-listed jurisdictions. We encourage counterparties to apply a risk-based approach.
Transparency	We welcome requests for additional information to support your own risk assessment.

5. **Anticipated Questions**

Is Kuwait subject to sanctions? No. Grey listing has no connection to sanctions regimes administered by OFSI, OFAC, or the UN Security Council. It means Kuwait has committed to address AML/CFT deficiencies under FATF monitoring.

Does this affect your UK banking licence? No. Our authorisation is maintained on the basis of our own compliance with UK requirements. The grey listing of our parent's home jurisdiction does not affect our regulatory status.

Are your compliance decisions influenced by the parent bank? No. Customer acceptance, EDD requirements, monitoring thresholds, and SAR filing are determined by our UK compliance function. The parent bank provides market intelligence as one input; all risk decisions are taken independently in the UK.

Does the FATF require EDD on your firm? The FATF explicitly does not call for EDD on grey-listed jurisdictions. Individual jurisdictions' domestic regulations may impose their own requirements. We are happy to provide any information your compliance team needs for its risk assessment.

What is the outlook? Kuwait's action plan contains only three items, suggesting focused deficiencies. Kuwait previously exited the grey list in 2015. The FATF reviews progress at each plenary (typically three per year). Our enhanced controls will remain in place for as long as regulatory requirements apply.

Can we request additional information? Yes. We welcome the opportunity to support your risk assessment with documentation on our regulatory status, governance, AML/CFT framework, and response to the grey listing.

6. Contact

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