

The Financial Action Task Force (FATF) identified Kenya as a country with "strategic deficiencies" in its anti-money laundering (AML)/combating the financing of terrorism (CFT) regime in 2010. Two of the major deficiencies highlighted by FATF were the lack of a counter-terrorism law and the lack of an operational Financial Intelligence Unit (FIU).

In 2011, FSVC began implementing a comprehensive technical assistance program, funded by the U.S. Department of State, with the Central Bank of Kenya (CBK), the Financial Reporting Centre (FRC), commercial banks, non-bank financial institutions (NBFIs), and designated non-financial businesses and professions (DNFBPs) that ultimately resulted in the removal of Kenya from the FATF "strategic deficiencies" list in 2014. This program was developed and executed in close coordination with the Resident Legal Advisor (RLA) from the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT) at the U.S. Embassy in Nairobi.

To coordinate AML/CFT efforts in Kenya, the RLA established an AML Working Group in 2012 that continues to meet regularly. The group consisted of all the relevant stakeholders working in this area, including the CBK, FRC, Ministry of Finance, financial institutions, mobile money service providers, international donors and technical assistance providers, among other entities. Through this working group, key stakeholders were able to identify gaps in the Kenyan AML/CFT infrastructure and mobilize resources to address shortcomings collaboratively.



FSVC played a critical role in the working group as one of the leading technical assistance providers. FSVC provided training and capacity-building for local regulators and reporting institutions, to promote adherence to international best practices. This approach helped strengthen the entire AML/CFT process, from detecting suspicious activity, to reporting it to regulatory bodies, to conducting investigations, to prosecuting money laundering/terrorist finance cases.

When meeting with the regional FATF body to present its case, Kenyan representatives routinely cited their work with FSVC and the U.S. Embassy as a major contributing factor to progress. Key accomplishments included the operationalization of the FRC, input through the working group into the drafting and passage of the Prevention of Terrorism Act (PETA) of 2012, and guidance to the CBK on the drafting of important regulations governing hawaladars and mobile money service providers. The combination of these successes was directly responsible for the removal of Kenya from the FATF "strategic deficiencies" list in 2014.