

Overview: Kuwait is an important non-NATO ally located in the critical Gulf region and a valued partner in promoting policies that strengthen regional security and stability. While Kuwait passed comprehensive anti-money laundering and combating the financing of terrorism (AML/CFT) legislation in 2013, there were also increased reports of Kuwait-based private individuals funneling charitable donations and other funds to violent extremist groups outside the country, particularly to Syria.

Legislation, Law Enforcement, and Border Security: Prior to the May 26, 2013, passage of Kuwait Law 106/2013, the Government of Kuwait lacked a clear legal framework for prosecuting terrorism-related crimes, often having to resort to other legal statutes to try suspected terrorists, which hampered enforcement efforts. The 2013 law includes a definition of terrorism, which may provide better legal grounds for prosecuting all terrorism-related crimes.

Some specialized law enforcement units have the capacity for investigations and crisis response, but multiple agencies have jurisdiction, and inadequate legislation made prosecution of terrorism-related offenses a challenge.

Following the 2012 application of a biometric fingerprinting system to include all land and sea entry points, the government began the third phase of an integrated border security system that will link to law enforcement databases.

On May 6, Kuwait's Court of Cassation upheld the life sentences given to four defendants (two Iranians, a Kuwaiti, and a stateless man) convicted of belonging to an Iranian espionage cell. The cell's seven members (four Iranians, a Kuwaiti, a Syrian, and a stateless man) were apprehended in May 2010 on charges of espionage, terrorist plotting, and vandalism. The rulings of the Court of Cassation are final.

Countering the Financing of Terrorism: Kuwait is a member of the Middle East North Africa Financial Action Task Force, a Financial Action Task Force (FATF)-style regional body. Kuwait Law 106/2013 was drafted in consultation with the International Monetary Fund to address the FATF recommendations. Law 106/2013 provides new mandates and powers to the government including the criminalization of the financing of terrorism, the requirement to report suspected terrorist financing, and the ability to freeze terrorist assets without delay. In October, FATF noted that Kuwait had made progress but called for the country to continue its effort to establish and implement adequate procedures to

identify and freeze terrorist assets, ensure its financial intelligence unit (FIU) is effective, and ensure that institutions file suspicious transaction reports to the FIU. At year's end, Kuwait was still operationalizing its FIU; the first chairman of the FIU was named in December. In preparation, Kuwaiti financial and designated non-financial institutions were reportedly upgrading their systems and processes and preparing to train their personnel to implement the new law.

The law also includes an article that calls for the implementation of UNSCRs 1267/1989 and 1373 (2001) and their successor resolutions with respect to freezing terrorist assets, although this has not yet been implemented.

In 2013, however, there were increased reports of Kuwait-based private individuals funneling charitable donations and other funds to violent extremist groups outside the country, particularly to Syria. The Ministry of Social Affairs and Labor is responsible for monitoring and supervising government-authorized charities, including enforcing the ban on cash donations except during Ramadan; implementing an enhanced receipt system for Ramadan cash donations; and coordinating closely with the Ministry of Islamic Affairs to monitor and prosecute fraudulent charitable operators.

For further information on money laundering and financial crimes, see the 2014 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes: <http://www.state.gov/j/inl/rls/nrcrpt/index.htm>.

Regional and International Cooperation: As in previous years, the Kuwaiti Armed Forces, National Guard, and Ministry of Interior conducted a number of exercises aimed at responding to terrorist attacks, including joint exercises with regional and international partners.

Kuwait also cooperated regionally and internationally on counterterrorism issues. Kuwait is a member of the Gulf Cooperation Council (GCC) and holds the rotating GCC presidency for 2014. Kuwaiti officials issued statements encouraging enhanced cooperation among GCC and Arab League states on counterterrorism issues, including following the U.S.-GCC Strategic Cooperation Forum in New York in September 2013. Throughout the year, Kuwaiti security professionals regularly participated in joint training programs around the world. In addition to Kuwait's bilateral cooperation with the United

States, Kuwaiti officials also worked with other international counterparts to conduct missions and exchange information.