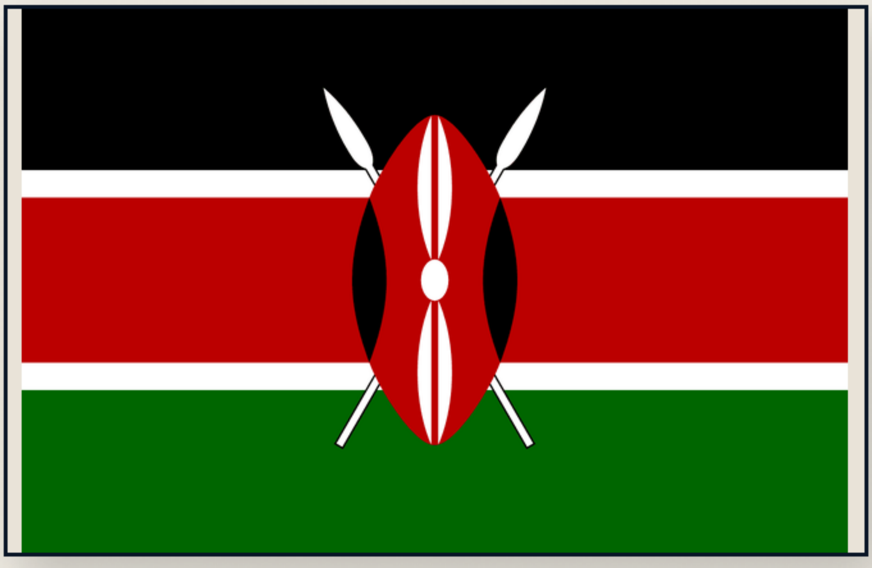
VOVE ID

VOVE COUNTRY CONTROL FILE

KYC / KYB / AML

2026 EDITION

KENYA



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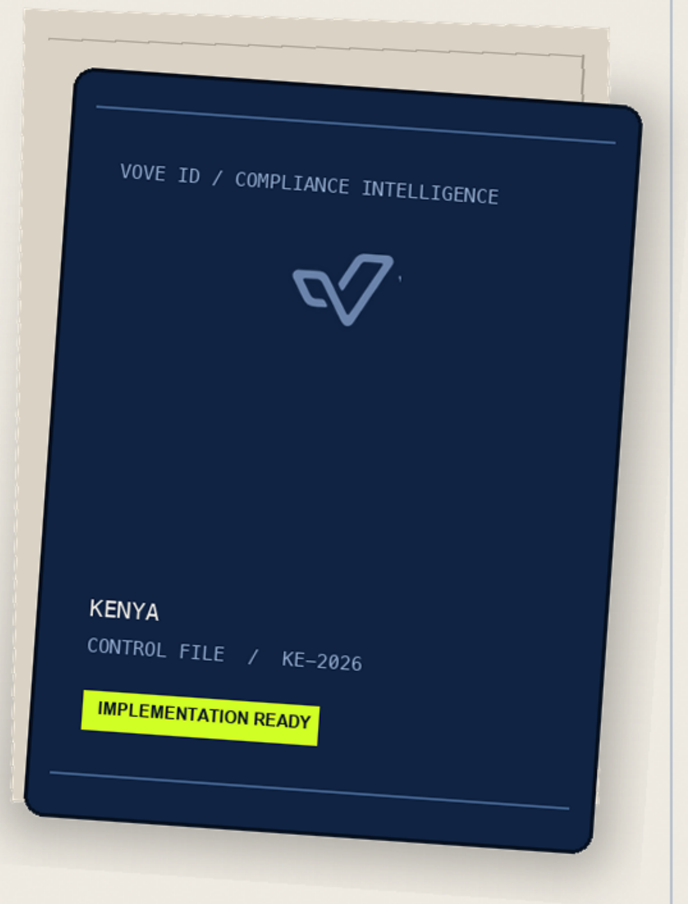

KYC / KYB / AML

COMPLIANCE CHECKLIST

2026 EDITION

IMPLEMENTATION CHECKLIST / NOT LEGAL ADVICE

READ THIS FIRST

Kenya KYC, KYB and AML compliance checklist

A practical implementation checklist for reporting institutions working under Kenya's anti-money laundering, counter-terrorist financing and counter-proliferation financing framework.

Primary FIU / AML supervisor	**Financial Reporting Centre**
Core rules	**POCAMLA and 2023 Regulations**
Record retention	**Minimum 7 years**
Suspicion reporting	**Within 2 days after suspicion arises**

Scope and legal framework

POCAMLA, as amended through 4 November 2025; the Proceeds of Crime and Anti-Money Laundering Regulations, 2023; the Prevention of Terrorism Act and applicable targeted-financial-sanctions regulations; and, for virtual asset service providers, the Virtual Asset Service Providers Act, 2025.

FATF context

Kenya remained under FATF increased monitoring as of 19 June 2026. FATF does not call for automatic enhanced due diligence or wholesale de-risking solely because a jurisdiction appears on this list; apply a proportionate risk-based approach and current Kenyan high-risk-country requirements.

IMPORTANT	This is a general Kenya baseline, not legal advice or a complete sector checklist. Requirements differ by institution type, supervisor, product, customer and risk. Apply the relevant CBK, CMA, IRA, SASRA, LSK, VASP or other sector overlay and confirm current law and regulator guidance before implementation.

HOW TO USE THIS GUIDE

Turn each requirement into owned evidence

For every row, assign an owner, confirm whether the control applies, link the evidence, record gaps, and set a remediation date. A checked box is not evidence by itself.

01 / SCOPE	02 / DESIGN	03 / EVIDENCE	04 / REVIEW
Confirm institution, supervisor, product, customer and risk scope.	Map each obligation to a policy, system control or human review.	Retain the document, decision, timestamp, owner and rationale.	Test the control and update it when rules or risks change.

Checklist legend

CONTROL tells you what outcome to cover. IMPLEMENTATION ACTION translates that outcome into operational work. EVIDENCE suggests what an auditor or reviewer should be able to inspect. SOURCE points back to the primary rule or regulator guidance.

1. APPLICABILITY AND GOVERNANCE

Applicability and governance

Establish whether the organization is a reporting institution and make accountability visible.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Confirm reporting-institution status	Determine whether the business is a financial institution, designated non-financial business or profession, or virtual asset service provider under section 2 of POCAMLA. Apply activity-specific limits in section 48 where relevant and identify the FRC and any First Schedule sector supervisor.	Documented applicability and sector-overlay assessment	POCAMLA, ss.2 and 48; First Schedule
Confirm the competent supervisor	Identify the sector supervisor or self-regulatory body and the FRC obligations that apply to the institution.	Regulatory obligations register	FRC compliance guidance
Register with the FRC	Complete FRC registration, keep particulars current and notify changes to registration information within 90 days.	Registration confirmation, change log and profile owner	POCAMLR 2023; FRC compliance guidance
Appoint accountable AML leadership	Appoint an MLRO at management level with the necessary competence, authority and independence. Notify both the FRC and the supervisory body of appointment or removal within 14 days. An internal auditor or chief executive may not serve as MLRO, except that a chief executive may do so for a sole proprietorship.	Appointment, role description and dual notifications	POCAMLR 2023, reg. 12
Plan VASP transition where applicable	Existing virtual asset service providers should map the VASP Act 2025 licensing transition through 4 November 2026 and distinguish enacted requirements from draft 2026 regulations.	VASP transition plan and legal-status register	Virtual Asset Service Providers Act 2025
Approve a risk-based AML/CFT/CPF program	Maintain policies, customer-risk methodology, controls, training, testing and governance proportionate to the institution's risks.	Board-approved program and risk assessment	POCAMLA and POCAMLR 2023
Conduct the mandatory institution-wide risk assessment	Assess ML, TF and PF risks across customers, countries and geographies, products, services, transactions and delivery channels. Keep it current, update the program at least every two years, obtain board approval for controls and assess risk before new products, practices, delivery mechanisms or technologies.	Current institutional assessment, board approval and new-product reviews	POCAMLR 2023, regs. 7-8

2. KYC FOR NATURAL PERSONS

KYC for natural persons

Identify the customer, verify identity from reliable independent sources and understand why the relationship exists.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Collect core identity particulars	Capture full legal name, date and place of birth, nationality, contact details, residential address, occupation and identity-document details appropriate to the customer.	Completed customer profile	POCAMLA, s.45; POCAMLR 2023, regs. 14-15
Verify identity independently	Verify the customer using reliable, independent source documents, data or information such as a valid national identity card or passport.	Verified document copy and verification result	POCAMLA, s.45; POCAMLR 2023, regs. 14-15
Verify authority to act	When another person acts for the customer, identify and verify that person and confirm their authority.	Authority instrument and agent KYC	POCAMLA, s.45(3); POCAMLR 2023, reg. 23
Understand purpose and intended nature	Record the expected use, products, transaction profile, counterparties and reason for the relationship.	Purpose and expected-activity statement	POCAMLR 2023, reg. 14(2)(c)
Establish financial profile	Collect information proportionate to risk on occupation, income, source of funds and, where needed, source of wealth.	Financial profile and supporting evidence	POCAMLR 2023, regs. 14 and 26
Resolve failed verification	If required CDD cannot be completed, do not open the account, establish the relationship or execute the transaction; terminate an existing relationship where applicable; and file an STR. If completing CDD would tip off the customer, stop CDD and file an STR.	Decline or exit decision and STR record	POCAMLR 2023, reg. 25

3. KYB FOR LEGAL PERSONS AND ARRANGEMENTS

KYB for legal persons and arrangements

Verify the entity, understand its ownership and control, and identify the natural persons behind it.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Verify legal existence	Obtain the registered name, incorporation or registration evidence, legal form, registration number and governing documents.	Registry extract and certified incorporation documents	POCAMLR 2023, reg. 16(1)(a)-(b)
Verify addresses and activity	Confirm the registered office, principal place of business, business activity and operating footprint.	Address evidence and business profile	POCAMLR 2023, reg. 16(1)(c)
Verify authority and signatories	Obtain the board resolution or equivalent authority and identify and verify authorized signatories.	Resolution, mandate and signatory KYC	POCAMLA, s.45(3); POCAMLR 2023, regs. 16(1)(d) and 23
Identify managers, controllers and owners	Collect the identity particulars of natural persons managing, controlling or owning the entity.	Directors and ownership register	POCAMLR 2023, reg. 16(1)(e)
Identify and verify beneficial owners	Obtain and validate company BO information, including relevant CR12 or BOF1 evidence. Do not treat registry evidence or a 10% threshold as conclusive for AML: identify controlling ownership, control by other means, or only after reasonable measures the senior managing official.	Ownership chart, BO declaration, registry evidence and verified BO KYC	POCAMLR 2023, regs. 14(2)(b), 16(2) and 22
Obtain financial information	Collect audited financial statements for the last full year for corporate bodies, subject to the regulation's treatment of newly formed entities; apply the relevant rule for sole traders.	Financial statements or documented exception	POCAMLR 2023, reg. 16(1)(f)-(g)
Recommended: screen connected persons	As an implementation control, screen the entity, beneficial owners, directors, controllers and authorized signatories in line with the institution's documented risk-based program and any sector rule.	Screening results and disposition log	Recommended risk-based control; confirm sector rule

4. RISK ASSESSMENT AND SCREENING

Risk assessment and screening

Use documented risk factors to determine the level of due diligence and monitoring.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Recommended: document customer risk rating	Assess customer, geography, product, service, delivery channel, transaction and ownership risks and retain the methodology, rationale and approval required by the institution's program or sector rule.	Risk score, rationale and approver	Risk-based obligations; confirm sector methodology
Apply targeted financial sanctions	Screen customers, BOs, controllers, agents and transaction parties against current UN and Kenya Domestic Lists at onboarding, on list or customer changes, ongoing and before relevant transactions. On a match, without delay or notice freeze all directly, indirectly, wholly or jointly owned or controlled funds or other assets, including derived and directed assets. Do not make funds, assets, economic resources or services available. Within 24 hours report frozen assets, actions and attempts through the Committee Secretary at the FRC, file an STR where required and release nothing without authorization or valid delisting.	Screening, freeze, prohibition, reporting and release audit trail	TFS Regulations 2024, regs. 6-9 and 15; PF Regulations, regs. 6-8; FRC TFS Guidance 2025
Apply the correct PEP treatment	Identify foreign, domestic and international-organization PEPs, including relevant family and close associates. For foreign PEPs, obtain senior approval, establish source of wealth and funds and enhance monitoring. Apply the same measures to domestic and international-organization PEPs where higher risk.	PEP result, approval and source analysis	POCAMLR 2023, reg. 26
Use adverse information proportionately	Review reliable public information where relevant to the risk assessment and record why information is material or not material.	Adverse-information review and decision	Risk-based control
Check higher-risk jurisdictions	Use current FATF and local guidance as an input to risk, without applying automatic blanket rejection solely because a jurisdiction is under increased monitoring.	Geographic-risk rationale	FATF Kenya country profile
Approve or decline with rationale	Record the outcome, conditions, review frequency and person authorized to approve the relationship.	Customer acceptance decision	Institution risk-based program

5. ENHANCED DUE DILIGENCE

Enhanced due diligence

Apply additional controls when higher money-laundering, terrorist-financing or proliferation-financing risk is identified.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Collect further identity information	Obtain information beyond standard CDD that helps establish identity and risk.	EDD information pack	POCAMLR 2023, reg. 20
Apply extra verification	Use additional reliable sources or corroboration to verify supplied documents and claims.	Independent corroboration record	POCAMLR 2023, reg. 20
Obtain senior-management approval where required	Require senior approval when the applicable high-risk or PEP rule requires it and document any conditions.	Approval and conditions	POCAMLR 2023, regs. 20 and 26
Establish source of funds and, where applicable, wealth	Understand and verify source of funds and establish source of wealth where the applicable PEP or sector rule requires it or where justified by the documented higher risk.	Source evidence and plausibility analysis	POCAMLR 2023, regs. 20 and 26
Increase ongoing monitoring	Set tighter review cycles, transaction scrutiny and escalation thresholds for high-risk relationships.	EDD monitoring plan	POCAMLR 2023, reg. 20

6. ONGOING DUE DILIGENCE AND MONITORING

Ongoing due diligence and monitoring

Keep customer knowledge current and compare actual activity with the expected profile.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Monitor transactions and behavior	Scrutinize transactions throughout the relationship for consistency with the customer, business, risk profile and source of funds.	Monitoring rules, alerts and case outcomes	POCAMLR 2023, regs. 34-35
Refresh customer information	Update CDD based on risk, material changes, trigger events and the adequacy of previously collected data.	Review schedule and refreshed file	POCAMLR 2023, reg. 14(6)
Rescreen relevant parties	Rescreen customers and connected persons when lists or risk profiles change and at a frequency aligned to risk.	Rescreening history	Institution risk-based program
Review complex or unusual activity	Examine the background and purpose of complex, unusually large or unusual-pattern transactions and retain the analysis.	Investigation notes and supporting evidence	POCAMLA, s.44(1), (4)-(5); POCAMLR 2023, regs. 34-35
Control relationship changes	Trigger reassessment for ownership, directors, address, activity, products, geography or transaction-profile changes.	Event-driven review log	Ongoing CDD obligation

7. REPORTING, RECORDS AND ASSURANCE

Reporting, records and assurance

Escalate suspicion promptly, retain evidence and test whether the program works.

CONTROL	IMPLEMENTATION ACTION	EVIDENCE	SOURCE
Escalate suspicious activity internally	Give staff a documented route to escalate unusual or suspicious activity to the MLRO without alerting the customer.	Internal escalation procedure and training	POCAMLA and POCAMLR 2023
Report suspicion to the FRC	Submit suspicious transactions or activities, including attempts and available supporting information, within two days after the suspicion arose. Do not substitute a working-day interpretation.	Filed report reference and decision timeline	POCAMLA, s.44(2)-(3); POCAMLR 2023, reg. 38
File applicable cash transaction reports	Report cash transactions equivalent to or above USD 15,000 under regulation 40, ordinarily by Friday or the end of the reporting week, or immediately where circumstances require.	CTR rules, filed reports and reconciliation	POCAMLR 2023, reg. 40
Complete annual regulatory reporting	Submit the annual compliance report for the preceding calendar year and the FRC-requested list of customers from higher-risk countries by 31 January.	Submitted reports and approval record	POCAMLR 2023, reg. 44; FRC compliance guidance
Prevent tipping off	Restrict knowledge of reports and investigations and avoid disclosures that could prejudice the process.	Access controls and communications guidance	POCAMLA reporting framework
Retain CDD and transaction records	Retain CDD, account, transaction, correspondence and written-analysis records for at least seven years after the transaction, account closure or relationship termination, and longer where the FRC requires this in writing.	Retention schedule and retrieval test	POCAMLA, s.46; POCAMLR 2023, reg. 42
Make records swiftly available	Ensure customer and transaction records can be supplied promptly to competent authorities on appropriate authority.	Retrieval procedure and audit trail	POCAMLA, s.46; POCAMLR 2023, reg. 42
Respect privileged-sector reporting rules	For advocates, notaries and other independent legal professionals, first determine whether the activity falls within section 48. Suspicion outside the privilege exemption remains reportable and may be submitted through the LSK. Reporting is not required for information protected by professional secrecy or privilege while ascertaining a legal position or representing a client in judicial, administrative, arbitration or mediation proceedings. Document the assessment without improper disclosure.	Activity-scope, privilege and reporting-route assessment	POCAMLA, ss.18, 44(3)-(3C) and 48; LSK guidance
Train and independently test	Train relevant personnel, conduct the mandatory independent audit and track remediation to closure.	Training register, audit report and action plan	POCAMLR 2023, regs. 11(d) and 43

SOURCES AND FURTHER READING

Verify against current official material

Primary law and regulator guidance control. Contextual VOVE ID reading is included to help teams operationalize the requirements and is not legal authority.

POCAMLA, latest available version
Kenya Law · Official source
Open official source

POCAMLA Regulations, 2023
Kenya Law · Official source
Open official source

Compliance obligations
Financial Reporting Centre · Official source
Open official source

Due diligence guidance for DNFBPs, March 2025
Financial Reporting Centre · Official source
Open official source

Prevention of Terrorism TFS Regulations, 2024
Kenya Law · Official source
Open official source

Prevention of Proliferation Financing Regulations
Kenya Law · Official source
Open official source

Targeted financial sanctions guidance, July 2025
Financial Reporting Centre · Official source
Open official source

Virtual Asset Service Providers Act, 2025
Kenya Law · Official source
Open official source

Companies Beneficial Ownership Information Regulations
Kenya Law · Official source
Open official source

FATF jurisdictions under increased monitoring, 19 June 2026
FATF · Official source
Open official source

Unlocking Business Trust with KYB in Kenya
VOVE ID - contextual reading · Contextual VOVE implementation guidance
Open contextual guide

Document control

Version 1.0 / Published 14 July 2026 / Last reviewed 14 July 2026 / Owner: VOVE ID Compliance Research

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