



— Republic of Kiribati —

ANTI-MONEY LAUNDERING **ACT, 2014**



KIRIBATI INTERNATIONAL FINANCIAL AUTHORITY (KIFA)

ANTI-MONEY LAUNDERING ACT, 2014

Republic of Kiribati



Prevention, Enforcement and International Cooperation Framework

Competent Authority: Kiribati International Financial Authority (KIFA)



Introductory Note

The **Anti-Money Laundering Act, 2014** establishes the legal framework of the Republic of Kiribati for the **prevention, detection, investigation, prosecution, and punishment of money laundering offences**.

This Act applies to financial institutions, designated non-financial businesses and professions, and any person or entity engaged in activities subject to anti-money laundering obligations under the laws of the Republic of Kiribati.

This document is published for **informational and regulatory guidance purposes**.

Legal Basis

This Act is applied and enforced in conjunction with:

- Financial Supervisory Authority of Kiribati Act, 2021
- Kiribati Financial Institutions Act, 2021
- Anti-Money Laundering and Counter-Terrorism Financing Act, 2014
- Financing of Terrorism Act, 2007
- Applicable international cooperation, extradition, and mutual legal assistance instruments

PART I – PRELIMINARY

1. Short Title and Commencement

This Act may be cited as the **Anti-Money Laundering Act, 2014**, and shall come into force on such date as the Minister may appoint by notice published in the Gazette.

2. Declaration of Policy

It is hereby declared the policy of the Republic of Kiribati to protect and preserve the integrity of its financial system and to ensure that Kiribati shall not be used as a venue for money laundering or related financial crimes.

The Republic shall cooperate, consistent with its laws and international obligations, in transnational investigations and prosecutions of money laundering offences.

3. Interpretation

In this Act, unless the context otherwise requires:

- **“Authority”** means the Kiribati International Financial Authority (KIFA).
- **“Covered Institution”** means:
 - a) banks, non-bank financial institutions, trust entities, and other financial institutions supervised or regulated by the Authority;
 - b) insurance companies and similar entities supervised or regulated by the Authority;
 - c) securities dealers, brokers, investment advisers, mutual funds, money changers, remittance and transfer companies, and any other entities dealing in currency, monetary instruments, commodities, valuable objects, or financial derivatives.
- **“Covered Transaction”** means:
 - a) a transaction or series of transactions exceeding **USD 10,000** or its equivalent; or
 - b) a transaction or pattern of transactions of unusual size, complexity, or frequency lacking apparent economic or lawful purpose.
- **“Funds”** means assets of every kind, whether tangible or intangible, movable or immovable.
- **“Monetary Instrument”** includes currency, cheques, drafts, securities, negotiable instruments, and similar instruments.
- **“Offender”** means any person who commits a money laundering offence.
- **“Person”** includes a natural or juridical person.
- **“Proceeds”** means any property derived, directly or indirectly, from unlawful activity.
- **“Transaction”** means any act establishing rights or obligations or involving the movement of funds.

- **“Unlawful Activity”** includes, but is not limited to, terrorism, drug trafficking, corruption, fraud, robbery, smuggling, piracy, illegal gambling, financial crimes, and other serious offences.

PART II – MONEY LAUNDERING OFFENCE

4. Money Laundering Offence

1. Money laundering is committed by any person who, knowing that property represents proceeds of unlawful activity:
 - a) transacts or attempts to transact such property;
 - b) assists in concealing, converting, or transferring such property; or
 - c) fails to disclose or report such property as required under this Act.
2. Knowledge may be inferred from objective factual circumstances.

5. Jurisdiction

The courts of the Republic of Kiribati shall have jurisdiction over all money laundering offences under this Act, regardless of where the underlying unlawful activity occurred.

6. Prosecution

1. A person may be prosecuted for both the offence of money laundering and the underlying unlawful activity.
2. Proceedings relating to unlawful activity shall not prejudice measures of freezing, seizure, or forfeiture under this Act.

PART III – ANTI-MONEY LAUNDERING AUTHORITY

7. Establishment of Anti-Money Laundering Unit

There is hereby established an **Anti-Money Laundering Unit** within the Kiribati International Financial Authority (KIFA), responsible for the administration and enforcement of this Act.

8. Powers and Functions

The Anti-Money Laundering Unit may:

- a) receive and analyse reports of covered transactions;
- b) conduct investigations;
- c) order the freezing of assets;
- d) initiate forfeiture proceedings;
- e) cooperate with foreign authorities;
- f) issue directives and guidelines;
- g) develop training and awareness programmes.

PART IV – PREVENTIVE MEASURES

9. Customer Identification and Record-Keeping

1. Covered institutions shall establish and verify the true identity of clients using reliable and independent documents.
2. Anonymous accounts and accounts under fictitious names are prohibited.
3. Records of customer identification and transactions shall be retained for a minimum period of **five (5) years**.

10. Reporting of Covered Transactions

1. Covered institutions shall report covered transactions to the Authority within **five (5) working days**.
2. No person shall disclose to any other person that a report has been made.
3. Reporting made in good faith shall not give rise to civil, criminal, or administrative liability.

PART V – FREEZING AND FORFEITURE

11. Authority to Freeze

1. Where there is probable cause that funds are related to unlawful activity, the Authority may issue a freeze order for a period not exceeding **fifteen (15) days**.
2. A freeze order may be extended by order of a competent court.

12. Inquiry into Bank Deposits

Notwithstanding any law relating to bank secrecy, the Authority may inquire into deposits or investments upon order of a competent court.

13. Forfeiture

1. Property determined by a court to be proceeds of unlawful activity shall be forfeited to the State.
2. Interested persons shall be afforded an opportunity to be heard.

PART VI – INTERNATIONAL COOPERATION

14. Mutual Legal Assistance

The Republic of Kiribati shall provide the fullest measure of mutual legal assistance in investigations and prosecutions of money laundering offences.

15. Extradition

Money laundering offences shall be treated as extraditable offences in accordance with applicable extradition laws and treaties.

PART VII – PENALTIES

16. Penalties

1. Any person convicted of money laundering shall be liable to imprisonment and fines proportionate to the gravity of the offence and the value of the property involved.
2. Where the offender is a juridical person, responsible officers shall be liable, and the authority may suspend or revoke licences or authorisations.

17. Breach of Confidentiality

Any person who unlawfully discloses information relating to a report or investigation under this Act commits an offence.

18. Malicious Reporting

Any person who knowingly makes a false or malicious report commits an offence.

PART VIII – MISCELLANEOUS

19. Incentives

A system of incentives and rewards may be established for agencies and personnel contributing to successful enforcement.

20. Prohibition of Political Misuse

This Act shall not be used for political persecution or to restrain lawful competition.

21. Severability

If any provision of this Act is held invalid, the remainder shall not be affected.

22. Commencement

This Act shall come into force on the date of publication in the Gazette.