



August 2025

# Financial Crimes Digest

## **AML and CFT laws (Amendment) Act 2025:**

A legislative step toward exiting the Grey List and strengthening Kenya's financial integrity

On 14 June 2025, President William Ruto signed the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025 into law. This marks a pivotal milestone in Kenya's sustained effort to strengthen its Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), Counter-proliferation financing (CPF) legal framework. It also addresses critical gaps flagged in the country's Second Round Mutual Evaluation Report (MER) issued by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in 2022.

This legislative development is the culmination of nearly two years of intense domestic and international pressure following Kenya's placement on the Financial Action Task Force (FATF) grey list in February 2024, a designation that signals significant deficiencies in a country's systems for combating money laundering, terrorism financing and proliferation financing.

It also follows Kenya's inclusion on the European Union's list of high-risk third countries in June 2025, which imposed further scrutiny on cross-border financial

flows and elevated the country's risk profile among investors and correspondent banks.

In our previous [digest](#), we explored the implications of Kenya's grey listing and highlighted the draft AML Bill 2025 as a key component of the government's response to the FATF Action Plan.

At the time the bill was under review and promised institutional and procedural reforms to address the gaps identified by ESAAMLG. With the enactment of the Amendment Act, that promise is now beginning to take shape in law.

## What prompted the amendment?

The MER identified strategic and structural shortcomings in Kenya's AML/CFT/CPF framework, including:

- Inadequate risk-based supervision of financial institutions and Designated Non-Financial Businesses and Professions (DNFBPs);
- Weak enforcement capacity and limited use of financial intelligence in investigations carried out by law enforcement authorities, leading to few Money Laundering (ML) investigations and no investigations on Terrorism Financing (TF);
- Lack of an effective beneficial ownership framework, hindering transparency;
- Fragmented coordination among regulatory, investigative, and prosecutorial agencies;
- Gaps in the legal framework for countering proliferation financing (CPF); and
- Absence of regulation for emerging risks, including Virtual Asset Service Providers (VASPs).

In response, the FATF Action Plan required Kenya to implement specific actions within set timelines, including:

1. Demonstrating enhanced AML/CFT/CPF risk understanding and applying risk-based supervision;
2. Improving the use of financial intelligence in money laundering and terrorist financing cases;
3. Implementing proportionate and dissuasive sanctions for AML/CFT breaches;
4. Demonstrating effective, risk-based customer due diligence;
5. Ensuring accurate and timely beneficial ownership information;
6. Strengthening cross-agency coordination and investigative capacity.

These requirements formed the backdrop against which the AML and CFT (Amendment) Act, 2025 was passed, not merely to comply with FATF's technical benchmarks, but to build long-term resilience into Kenya's financial integrity ecosystem.

It sends a clear signal both domestically and internationally of Kenya's resolve to exit the grey list, enhance the integrity of its financial system, and restore global confidence in its regulatory architecture.

However, as this digest highlights, legislation is only the beginning. The real measure of Kenya's progress will lie





**The AML/CFT Laws (Amendment) Act, 2025, introduces amendments across 10 Acts covering Kenya's AML/CFT/CPF framework, from supervision to enforcement, governance, and transparency**

in how these reforms are implemented, monitored, and internalised across institutions, sectors, and the public at large.

### What this digest covers

In our 2023 [digest](#), we highlighted key amendments to The Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2023. This was followed by our 2024 [digest](#), which unpacked the implications of Kenya's grey listing and most recently our June [2025 digest](#), explored the reasons behind Kenya's continued presence on the grey list. In this release, we build on that foundation to:

1. Highlight the key amendments introduced by the Act and what they mean in practical terms;
2. Discuss how these provisions respond to MER findings and the FATF Action Plan;
3. Identify critical reforms still outstanding;
4. Outline practical actions required from regulated entities, private sector players, and the public; and

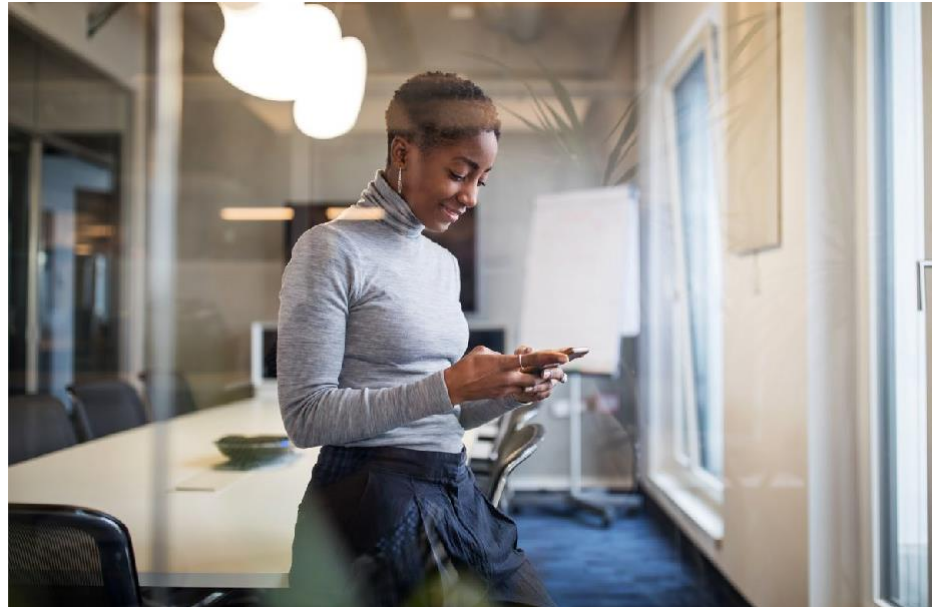
5. Reflect on the broader themes of effectiveness, culture change, and the road ahead.

### Key amendments and their implications

The AML/CFT Laws (Amendment) Act, 2025, introduces amendments across 10 Acts covering Kenya's AML/CFT/CPF framework, from supervision to enforcement, governance, and transparency. Many of these amendments are directly responsive to the FATF Action Plan, while others reflect a broader ambition to embed structural resilience into the system. The amended Acts include:

1. Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) (CAP 59A)
2. Prevention of Terrorism Act (POTA) (Cap. 59B)
3. Betting Lotteries and Gaming Act (Cap. 131)
4. The Retirement Benefits Act (Cap. 197)
5. The Mining Act (Cap. 306)
6. The SACCO Societies Act (Cap. 490B)





7. The Accountants Act (Cap. 531)
8. Estate Agents Act (Cap. 533)
9. The Certified Public Secretaries of Kenya Act (Cap . 534)
10. The Public Benefits Organizations Act , 2013 (No. 18 of 2013)

The key amendments are as follows:

**1. Expanded definition of terrorism financing**

The Prevention of Terrorism Act now incorporates a broader scope of terrorism financing offences, aligning Kenya's legal framework with FATF Recommendation 5.

**2. Public Benefit Organizations (PBOs) now covered**

The Public Benefits Organizations Regulatory Authority is now mandated to supervise the non-profit sector for terrorism financing risks. This directly responds to concerns raised in the MER about the vulnerability of the non-profit sector to abuse by terrorist networks and addresses a long-standing weakness in Kenya's framework in identifying and regulating Non-Profit Organisations that are at risk of abuse for terrorism financing.

**3. Inclusion of dealers in precious metals and stones**

This is a notable development. Entities dealing in gold, gemstones, and similar high-value items are now explicitly brought under the AML/CFT regime, plugging a long-standing gap flagged in the MER due to high exposure to trade-based money laundering.

**4. Emphasis on sector specific AML/CFT/CPF obligations and harmonization of laws**

The Act amends key sector laws to align to the POCAMLA and formally mandate key regulators such as the Public Benefits Authority, Betting Control and Licensing Board, Retirement Benefits Authority, Director of Mining, SACCO Societies Regulatory Authority (SASRA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK), and the Estate Agents Registration Board to enforce AML/CFT/CPF compliance within their respective sectors.

The table below breaks down the new provisions by Act in greater detail, indicating their legal impact and alignment with FATF recommendations.

Affected Act	Provision/ clause	Summary of the Change	Implication
<b>A. POCAMLA related amendments</b>			
<b>1. Proceeds of Crime and Anti-Money Laundering Act (POCAMLA)</b>	Definition S.2	Description of a dealer in precious stones/ metals	<ul style="list-style-type: none"> <li>Increased clarity on the categories of persons to whom the POCAMLA applies as relates to dealership with precious stones/ metals. These include: producers/ miners, buyers/brokers, cutters/polishers/refiners, manufacturers of Jewelry and retailers.</li> <li>Dealers in precious metals and stones now considered reporting institutions. This is a key step in addressing gaps highlighted in Kenya's MER, particularly under FATF Recommendations 22 and 23. Previously unregulated despite being high-risk for money laundering, this sector now faces mandatory customer due diligence, transaction record-keeping, and suspicious transaction reporting.</li> </ul>
	S. 48C	Application of reporting obligations to dealers in precious stones and metals.	<ul style="list-style-type: none"> <li>The amendment enhances transparency and traceability in a sector often exploited for trade-based laundering and supports progress on Immediate Outcomes 4 and 5.</li> </ul>
	Definition S.2	Definition of the Public Benefit Organizations Authority	<ul style="list-style-type: none"> <li>This amendment as read with amendments to the PBO Act seeks to bring Public Benefit Organizations (PBOs) under AML/CFT/CPF oversight and addresses a critical gap identified in Kenya's Mutual Evaluation Report, particularly under FATF Recommendations 8 and 26. PBOs were previously outside the formal AML framework despite being vulnerable to abuse for terrorist financing.</li> <li>With this change, the Public Benefits Authority is now mandated to monitor and supervise PBOs for AML/CFT compliance, including oversight of funding sources and governance structures. This strengthens Kenya's alignment with international standards, particularly under Immediate Outcome 10 (TF preventive measures).</li> </ul>
	Various sections across the Act	Expanding provisions of POCAMLA that relate to supervisory bodies to LSK as the Self-regulatory body	<ul style="list-style-type: none"> <li>Clarity on the supervisory role of LSK as a self-regulatory body. The 2023 AML (amendment) Act introduced the Law Society of Kenya (LSK) as a self-regulatory body but did not clarify its supervisory mandate on Law firms and the legal profession in general.</li> <li>This amendment closes a key gap flagged in the MER under FATF Recommendation 28. Legal professionals, particularly those involved in transactions such as real estate and company formation, were previously unsupervised despite their high risk for misuse in money laundering schemes.</li> <li>This change empowers LSK to oversee its members' compliance with AML obligations, including on due diligence and reporting requirements. It enhances preventive measures under Immediate Outcome 4 by ensuring legal professions are brought under effective AML/CFT/CPF supervision.</li> </ul>
<b>B. POTA related amendments</b>			
<b>2. Prevention of Terrorism Act (POTA)</b>	Definition S.2	Section 2 has been amended to provide for terrorism financing which includes any offences under s 5 and 5A of the Act	<ul style="list-style-type: none"> <li>These amendments address specific gaps identified in Kenya's Mutual Evaluation Report, particularly the narrow definition of terrorism financing and weak enforcement mechanisms. By expanding the scope of offences, sanctions and aligning with FATF standards, the reforms strengthen Kenya's legal framework and support progress under Immediate Outcome 9, which evaluates the effective investigation and prosecution of terrorism financing.</li> <li>Additionally, the amendment to include the Sanctions Committee in the Act strengthens the country's legal framework for implementing targeted financial sanctions. This change enables Kenya to promptly freeze assets of individuals and entities designated by the UN for terrorism or proliferation financing, in line with UN Security Council Resolutions and FATF Recommendation 6.</li> </ul>
	Definition S.2	Section 2 has been amended to provide for a Sanctions Committee which is a committee of the Security Council of the United Nations.	
	Offences S. 5A	Inclusion of a penalty for financing of travel for terrorism purposes (imprisonment for a term not exceeding twenty years in the case of a natural person or a fine not exceeding twenty million shillings in the case of a legal person)	

Affected Act	Provision/ clause	Summary of the Change	Implication
<b>2. Prevention of Terrorism Act (POTA)</b>	Interception of communication by National Security organs S. 36A	Inclusion of the word "terrorism financing" after the word terrorism	<ul style="list-style-type: none"> <li>Expanded scope of powers of National Security organs with respect to the prevention of terrorism financing</li> <li>Limitation of the right to privacy under article 31 where there are suspicions of TF</li> <li>Similar implications as highlighted above for sections 2 and 5A of the POTA.</li> </ul>
	S. 40E (2)	Provides for broader powers of the Counter Financing of Terrorism Inter-Ministerial Committee to propose persons to the relevant sanctions committee as appropriate.	<ul style="list-style-type: none"> <li>Similar implications as highlighted above for sections 2 and 5A of the POTA.</li> </ul>
	Role of the Financial Reporting Center (FRC), supervisory bodies and LSK relating to TF and PF S. 42A	Inclusion of the following roles: <ul style="list-style-type: none"> <li>Supervision and enforcement of the application of preventative measures to combat TF and PF by reporting institutions</li> <li>Supervision &amp; enforcement of Targeted Financial Sanctions by reporting institutions</li> </ul>	<ul style="list-style-type: none"> <li>Expanded roles of the FRC, supervisory bodies and the self-regulatory body (LSK) in relation to TF and PF.</li> <li>Similar implications as highlighted above for sections 2 and 5A of the POTA.</li> </ul>
		Application of the roles of FRC <ul style="list-style-type: none"> <li>Preventative measures have been expanded to include those under part IV of the POCAMLA on obligations of a reporting institution.</li> </ul> Supervisory & self-regulatory body are those listed under POCAMLA	<ul style="list-style-type: none"> <li>Increased clarity on the scope of measures that the FRC can undertake.</li> <li>Clarity on what is considered a supervisory/ self-regulatory body under POTA and harmonization of provisions of POTA to those of POCAMLA.</li> <li>Similar implications as highlighted above for sections 2 and 5A of the POTA.</li> </ul>



Affected Act	Provision/ clause	Summary of the Change	Implication
C. PBO Act related amendments			
3. Public Benefit Organizations Act	Definition S2	Definition of TF to apply as defined under the POTA	<ul style="list-style-type: none"><li>This amendment as read with the amendment to the POCAMLA means that PBOs must now implement internal controls to prevent abuse for terrorism financing, including due diligence on donors and beneficiaries, record-keeping, and reporting suspicious activities.</li><li>The Public Benefits Authority is tasked with monitoring compliance, which means increased regulatory scrutiny and the need for PBOs to formalize governance and financial practices. This enhances transparency and directly addresses a major gap cited in the Mutual Evaluation Report under FATF Recommendation 8, reinforcing Kenya's commitment to protecting the non-profit sector while aligning with global AML/CFT standards.</li></ul>
	Section 3	Expanding the objects and purpose of the Act to provide for mechanisms that safeguard PBOs from the risk of ML/TF and PF.	
	Powers of the PBO Authority S. 43A	Regulation, supervision and enforcement of compliance for AML purposes The specific roles include <ul style="list-style-type: none"><li>Periodic identification of organizations that are at risk of TF abuse</li><li>Conducting periodic assessments of TF risks posed to such organizations</li><li>Developing focused, proportionate and risk-based actions to address TF risks</li><li>Ensuring any remediation measures do not undermine the legitimate operations of PBOs</li><li>Ensure cooperation and coordination on information sharing on PBOs at risk of abuse for TF with FRC and relevant LEAs.</li><li>Issuing regulations and guidelines</li></ul> Imposing monetary, civil or administrative functions.	
D. Amendments to sectoral Acts			
4. Betting Lotteries & Gaming Act	Definition S2	Definition of TF to apply as defined under the POTA	<ul style="list-style-type: none"><li><b>Criminalisation of TF:</b> Amendments have been made across all sectoral acts to criminalise TF. As highlighted above in the "POTA related amendments" section, this address specific gaps identified in the Kenya's Mutual Evaluation Report, particularly the narrow definition of terrorism financing and weak enforcement mechanisms. By expanding the scope of offences, sanctions and aligning with FATF standards, the reforms strengthen Kenya's legal framework and support progress under Immediate Outcome 9, which evaluates the effective investigation and prosecution of terrorism financing.</li><li><b>Supervisory mandate of sectoral supervisors:</b> AML/CFT/CPF supervisory mandate is now clearly outlined for BCLB, RBA, Director of Mines, SASRA, ICPAK, EARB and ICS. The amendment addresses an MER gap under Recommendation 28, which found that DNFBPs did not adequately supervise the sector for AML/CFT compliance, despite some of the sectors being high risk for misuse in money laundering. This supports improved outcomes under Immediate Outcome 4, by extending preventive measures and risk-based supervision to a previously under-regulated, high-risk sector.</li><li><b>Penalties for non-compliance:</b> Sanctions for non-compliance with AML/CFT/CPF measures have been incorporated across all acts. This ensures increased measures for deterrence for ML, TF and PF ensuring that entities not only have preventive duties but also face credible consequences for non-compliance. This amendment was made in response to a gap identified in the MER that found there were no specific legal or regulatory powers which authorise DNFBP supervisors to impose sanctions in line with Recommendation 35 for failure to comply with the AML/CFT requirements.</li></ul>
	Powers of the Betting Control and Licensing Board (BCLB) for AML purposes S 29A	Regulation, supervision and enforcement of compliance for AML, CFT and CPF purposes by the Board	
	Penalties for violation of provisions related to ML and TF S29 B	Provision of fines for both natural and legal persons (not exceeding KES 1m 1,000,000 and KES 5m5,000,000, respectively)	
5. Retirement Benefits Act	Definition S2	Definition of TF to apply as defined under the POTA	
	Powers of the Retirement Benefits Authority S. 7A	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S7 B	Provision of fines for both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	

Affected Act	Provision/ clause	Summary of the Change	Implication
<b>D. Amendments to sectoral Acts</b>			
<b>6. Mining Act</b>	Definition S2	Definition of TF to apply as defined under the POTA	<ul style="list-style-type: none"> <li>• <b>Criminalisation of TF:</b> Amendments have been made across all sectoral acts to criminalise TF. As highlighted above in the "POTA related amendments" section, this address specific gaps identified in the Kenya's Mutual Evaluation Report, particularly the narrow definition of terrorism financing and weak enforcement mechanisms. By expanding the scope of offences, sanctions and aligning with FATF standards, the reforms strengthen Kenya's legal framework and support progress under Immediate Outcome 9, which evaluates the effective investigation and prosecution of terrorism financing.</li> <li>• <b>Supervisory mandate of sectoral supervisors:</b> AML/CFT/CPF supervisory mandate is now clearly outlined for BCLB, RBA, Director of Mines, SASRA, ICPAK, EARB and ICS. The amendment addresses an MER gap under Recommendation 28, which found that DNFBPs did not adequately supervise the sector for AML/CFT compliance, despite some of the sectors being high risk for misuse in money laundering. This supports improved outcomes under Immediate Outcome 4, by extending preventive measures and risk-based supervision to a previously under-regulated, high-risk sector.</li> <li>• <b>Penalties for non-compliance:</b> Sanctions for non-compliance with AML/CFT/CPF measures have been incorporated across all acts. This ensures increased measures for deterrence for ML, TF and PF ensuring that entities not only have preventive duties but also face credible consequences for non-compliance. This amendment was made in response to a gap identified in the MER that found there were no specific legal or regulatory powers which authorise DNFBP supervisors to impose sanctions in line with Recommendation 35 for failure to comply with the AML/CFT requirements.</li> </ul>
	Powers of the Director of Mines S. 16 A	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S16 B	Provision on fining of both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	
<b>7. Sacco Societies Act</b>	Definition S2	Definition of TF to apply as defined under the POTA	
	Powers of the Sacco Societies Regulatory Authority (SASRA) S. 7 A	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S7 B	Provision on fining of both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	
<b>8. Accountants Act</b>	Definition S2	Definition of TF to apply as defined under the POTA	
	Powers of ICPAK S. 8A	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S8 B	Provision on fining of both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	
<b>9. Estate Agents Registration Act</b>	Definition S2	Definition of TF to apply as defined under the POTA	
	Powers of the Estate Agents Registration Board (EARB) S. 28	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S 29	Provision on fining of both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	
<b>10. Certified Public Secretaries of Kenya Act</b>	Definition S2	Definition of TF to apply as defined under the POTA	
	Powers of Institute of Certified Secretaries (ICS) S. 7A	Regulation, supervision and enforcement of compliance for AML purposes	
	Penalties for violation of provisions related to ML and TF S 7B	Provision on fining of both natural and legal persons (not exceeding 1,000,000 and 5,000,000, respectively)	

These amendments lay the foundation for a risk-based, decentralised supervisory model, where sector-specific regulators play a more proactive role in Kenya's AML/CFT/CPF ecosystem. However, the effectiveness of these reforms will depend heavily on capacity building, implementation consistency, and inter-agency coordination.



## Strengthening the Framework: What's still needed

While the AML Amendment Act, 2025 marks critical progress, Kenya's journey toward a robust, risk-responsive, and FATF-compliant AML/CFT/CPF framework is far from complete. Several priority areas remain either unaddressed or only partially covered under the new law:

### 1. Regulation of Virtual Assets and Virtual Asset Service Providers (VASPs)

One of the most significant omissions in the 2025 amendments is the absence of a clear legal and supervisory framework for Virtual Assets (VAs) and VASPs, despite this being a flagged deficiency in the Mutual Evaluation Report.

With the growing use of digital assets for value transfer and their inherent anonymity, FATF standards (Recommendation 15) require jurisdictions to:

- Define and classify VASPs;
- License and register VASPs;
- Subject them to AML/CFT obligations and supervision.

It is worth noting that Kenya has introduced a VASPs bill that is now at first reading stage at The National Assembly. However, until the bill is passed, the country remains vulnerable to risks in the crypto and fintech space.

### 2. Beneficial Ownership Transparency Implementation

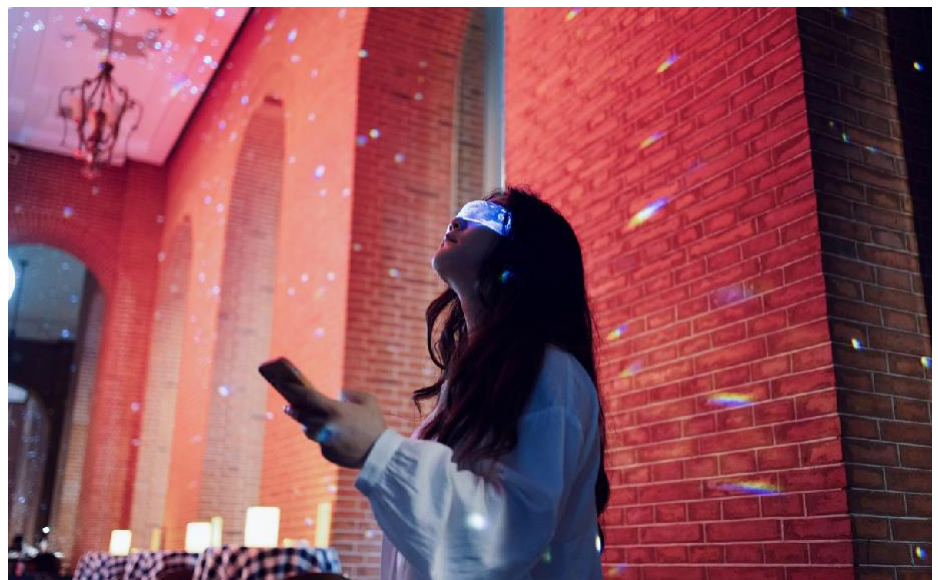
Although Kenya has enacted laws requiring the disclosure of beneficial ownership (BO), practical enforcement and access remain patchy:

- Registers are not yet fully functional or interoperable;
- Enforcement of BO declarations across sectors remains inconsistent;
- Verification mechanisms for BO data are lacking, compromising its reliability.

To comply fully with FATF Recommendations 24 and 25, Kenya must enhance the usability, accessibility, and accuracy of BO data.

### 3. Effective Implementation by Sector Regulators

While the 2025 Act assigns AML/





CFT responsibilities to multiple regulators, many of them:

- Lack technical expertise in risk-based supervision;
- Do not have dedicated AML/CFT compliance units or enforcement powers;
- Are new to the FATF compliance environment.

Support for these institutions through guidelines, training, and resources will be essential to avoid regulatory fragmentation or token compliance.

#### 4. Operational Effectiveness

FATF increasingly assesses not only whether countries have laws, but whether those laws are effectively implemented. Kenya must:

- Demonstrate increased detection, investigation, prosecution, and conviction rates;
- Improve inter-agency collaboration (e.g., between FRC, ARA, DCI, ODPP);

- Track and report measurable outcomes (e.g. value of assets seized, terrorism financing networks disrupted).

#### 5. Guidance and Support for Private Sector Entities

Given the significant deficiencies highlighted in the DNFBPs sector in the MER 2022 and FATF's June 2025 statement, DNFBPs will need clarity on:

- What exactly is expected of them under AML/CFT/CPF laws;
- How to implement effective customer due diligence (CDD), STR filing, and record-keeping procedures;
- How to assess and mitigate their specific sectoral risks.

The Government and relevant regulators should issue comprehensive guidelines, sector-specific typologies, and compliance toolkits to facilitate real adoption.



### What do these amendments mean and what are the steps forward?

1. There is more emphasis in AML/CFT/CPF compliance on Designated Non-Financial Businesses and Professions (DNFBPs) as seen in the amendments of sectoral Acts to align to the POCAMLA. Therefore, if you are in Betting, SACCOs, Retirement Schemes, Mining, Real Estate, Accounting, Legal and Company Secretarial Services, you must put greater emphasis on:
  - Conducting Customer Due Diligence (CDD) and verifying customer identities;
  - Reporting Suspicious Transactions to the FRC;
  - Keeping proper records of transactions;
  - Training staff on AML/CFT risks and establishing internal compliance controls.
2. Dealers in precious metals and stones are now formally designated as reporting entities. If you operate in this sector, you must:
  - Register and report transactions as required;
  - Implement customer due diligence and monitor high-value transactions;
  - Avoid informal trading practices that could raise red flags.
3. Public Benefit Organizations (PBOs) are now legally mandated to comply with AML/CFT/CPF measures and this means:
  - Enhanced scrutiny will apply, especially around funding sources;
  - Stronger governance and financial controls are now expected;
  - Entities must show transparency and the ability to detect and prevent abuse for terrorist financing.
4. Members of Professional Bodies (ICPAK, ICPSK, Estate Agents Board, LSK etc.) are expected to:
  - Integrate AML/CFT/CPF practices into their daily processes;
  - Stay compliant with the supervision requirements of their respective bodies;
  - Take steps to avoid facilitating the misuse of professional services for illicit activity.
5. For Citizens and High-Value Consumers, you may face:
  - Stricter checks during high-value or cross-border transactions;
  - Requests for source of funds or identity documentation even in non-bank settings;
  - A move away from informal cash transactions toward traceable systems.

**A strong AML/CFT/CPF regime is not only about financial system credibility, but also about national security, inclusive growth, and protecting citizens from the corrosive effects of crime, corruption, and illicit financial flows**

Whether or not your sector is directly affected by this round of reforms, all sectors and citizens should expect further regulatory changes as Kenya works to exit the FATF grey list and the EU's list of high-risk third countries.

Compliance will become increasingly embedded across the economy, and proactive engagement with these obligations is no longer optional, it's part of building national credibility and reclaiming trust in global financial systems.

### **Conclusion: A step forward, but the work is far from over**

The enactment of the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025, represents a pivotal milestone in Kenya's reform agenda.

It signals strong political will and policy intent to address long-standing deficiencies in the legal framework, as highlighted in the FATF Mutual Evaluation Report and subsequent follow-ups.

However, legislation alone is not a silver bullet. Kenya's ability to exit the FATF grey list and the EU's list of high-risk jurisdictions will hinge on how well these laws are implemented in practice. Effectiveness, one of the key criteria in the FATF assessment methodology, remains the ultimate test.

More importantly, the goal is not merely to pass the test of international scrutiny. It is to build a culture of transparency, integrity, and accountability in both public institutions and the private sector.

A strong AML/CFT/CPF regime is not only about financial system credibility, but also about national security, inclusive growth, and protecting citizens from the corrosive effects of crime, corruption, and illicit financial flows.

Kenya has taken a firm step forward. The focus now must be on translating law into impact. At PwC, we are well-positioned to support organisations, regulators, and professionals in navigating these enhanced obligations.

From conducting AML/CFT/CPF risk assessments and gap analysis, to helping design compliance frameworks, delivering tailored training, and supporting implementation, our multidisciplinary team brings deep regulatory insight and practical experience.

Whether you're a regulator looking to achieve effective supervision, newly regulated entity seeking to understand your obligations or a mature institution aiming to demonstrate effectiveness, we can help you build a sustainable and risk-responsive compliance culture, one that goes beyond ticking boxes to truly embedding trust and integrity into your operations.





## Contact us

For more information on how we can assist your organisation, contact our Forensic and Financial Crime team today. Let's work together to build a stronger, more compliant future.



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