

LAW NO. 1 OF 2023
ON
THE PREVENTION OF CONFLICT OF INTEREST

Article 1

In the application of the provisions of this Law, the following words and phrases shall have the meaning indicated opposite to them:

- **Authority:** Kuwait Anti-Corruption Authority.
- **Conflict of interest:** The owning by the Subject or any person associated with him of an influential percentage in any company or financial activity that has dealings with his employer and related to the duties of his job, with his knowledge thereof, or acting as a mediator, agent, guarantor or consultant for any private company or establishment whose activity is related to his employer and related to the duties of his job with his knowledge thereof.
- **Subject:** The categories listed in Article 2 of this Law.
- **Agency:** The agency to which the disclosure is made.
- **Personal interest:** The material or immaterial interest that the Subject intends to achieve for himself or for any of the persons associated with him, as a result of the decision or action he makes or participates in making thereof.
- **Person Associated with the Subject:** Any person related to the Subject by kinship, descent or affinity relationship up to the second degree, any person under the custodianship, guardianship or wardship of the Subject, any natural or legal person who has business relationship, mediation, agency or representation with the Subject and any financial activity or company in which the Subject or any of the aforementioned persons contributes with a percentage that influences its decisions.
- **Influential percentage:** The number of shares or stocks whose value is not less than 5% of the capital of the financial activity or the company. This percentage is determined by the total shares or stocks owned by the Subject and the persons associated with him.
- **Disclosure:** The disclosure of any information, facts or submission of statements or papers indicating the occurrence of a conflict of interest.
- **Whistleblower:** The person who reports occurrence of conflict of interest.

Article 2

The following categories are subject to the provisions of this Law:

- 1- Categories specified in Article 2 of law No. 2 of 2016 referred to.
- 2- Public employees working in government agencies, public authorities and public institutions.
- 3- Every person responsible for a public service.
- 4- Employees of companies, if the state or one of the public authorities or public institutions contributes to those companies by a percentage of not less than 25% of their capital. The determination of this percentage is based on the total shares owned by the state or other public authorities or public institutions.

Article 3

The Subject must, when in a conflict of interest, disclose it within a period not exceeding fifteen days from the date of his knowledge of the occurrence of a conflict of interest, and shall immediately remove such conflict by abstaining from making the decision, taking action, participating in making it, or disposing of the cause of the occurrence of the conflict of interest against him.

The disclosure is filed by the Speaker of the National Assembly, the Prime Minister, the President of the Supreme Judiciary Council and the President of the Municipal Council with the Authority.

The disclosure is made by the ministers to the Prime Minister.

The disclosure by other than those aforementioned, as the case may be, shall be filed with the Speaker of the National Assembly, the President of the Supreme Judiciary Council or the President of the Municipal Council.

The disclosure is filed with the head of the Agency to which the Subject belongs, if the Subject's employer is a public authority, a public institution, an organ or an independent government agency or other agencies subject to its supervision.

The disclosure is filed by the heads of the agencies mentioned in the preceding paragraph with the boards of directors of those agencies or their equivalents, except for the President of the Anti-corruption Authority and the members of the Board of Trustees, they file their disclosure with the President of the Judiciary Supreme Council for presentation to the examining committee referred to in Article 33 of Law No. 2 of 2016 referred to. If none of these agencies has a board of directors, the disclosure shall be filed with the supervising minister or the agency attached to or associated with him.

Except for what is mentioned above, the disclosure is filed by those subject to this law with the minister responsible for regulating their employer's affairs.

Article 4

When the employer becomes aware of a conflict of interest involving one of its Subjects, it may notify him in writing of the obligation to disclose the conflict of interest and remove it. If the Subject fails to remove the conflict of interest upon being notified, the employer must notify the Public Prosecution or the Authority.

In any event, the employer must take and follow up the necessary measures to avoid and prevent conflicts of interest within it.

Article 5

According to Article 3 of this law, the Agency is responsible for receiving the disclosure from the Subject, reviewing the information contained therein, and taking one of the following actions:

- a - If the Subject discloses a conflict of interest as required by law and removes the conflict as soon as he becomes aware of it, then this is sufficient and no further action is required.
- b - If the Subject does not remove the disclosed conflict, then the Agency is required to inform the Public Prosecution or the Authority thereof.

Article 6

The report of conflict of interest is filed with the Public Prosecution or the Authority.

The same procedures and conditions specified in Law No. 2 of 2016 referred to are applicable to the report, and the whistleblower of crimes of conflict of interest enjoys the same protection provided therein.

Article 7

The Authority is required to present the cases of conflict of interest that are reported to it to the examining committees to take the necessary actions in accordance with the procedures and regulations stipulated in Law No. 2 of 2016 referred to.

Article 8

A fine not exceeding three thousand Dinars shall be imposed on any Subject who, within the prescribed period, fails to disclose:

- a - his ownership or any person related him of an influential percentage in any company or financial activity that has dealings with his employer and related to the duties of his job with his knowledge thereof.
- b –his role as a mediator, an agent, a guarantor or a consultant for any private company or facility whose activity is related to his employer and related to the duties of his job, with his knowledge thereof.

Article 9

Any Subject who, after disclosing the conflict of interest, takes a decision, action, or participates in it, performs or refrains from performing one of the duties of his job, or acts as a mediator, agent, guarantor, or consultant for any private company or facility whose activity is related to his employer and related to the duties of his job, with the intention of achieving a personal interest for himself or a person related to him, shall be punished with imprisonment for a term not exceeding one year and a fine not exceeding ten thousand Dinars or double the amount of money he benefited from, whichever is greater, or with one of these two penalties.

If the Subject does not disclose a conflict of interest with his knowledge thereof and takes one of the acts provided for in the preceding paragraph, the penalty shall be a term of up to three years imprisonment and a fine of up to ten thousand Dinars or double the amount of money he benefited from, whichever is greater or by one of these two penalties.

In all cases, the confiscation or returning of the proceeds of crime shall be ordered, depending on the circumstances.

The court may dismiss him from office and order the cancellation of the decision or action he takes or participates in it, along with any resulting effects.

Article 10

Any person who is not subject to the provisions of this law and has benefited significantly from a conflict of interest crime with his knowledge thereof shall be punished with imprisonment for a term not exceeding one year or a fine not exceeding five thousand Dinars, or with one of these two penalties.

The confiscation or returning of the money he obtained shall be ordered, depending on the circumstances.

Article 11

Any person who violates the confidentiality of the disclosure or discloses data, documents, or information contained therein to any natural or legal person without being authorized to do so shall be punished with imprisonment for a term not exceeding one year, a fine not exceeding three thousand Dinars, or with one of these two penalties.

Article 12

Any Subject, according to the provisions of Article 3 of this law, who provides incomplete or incorrect data, information, or facts about the occurrence of a conflict of interest with his knowledge thereof shall be punished with imprisonment for a term not exceeding one year, a fine not exceeding five thousand Dinars, or with one of these two penalties. It is permissible to order his dismissal from office.

Article 13

Any whistleblower who deliberately provides false data or information, conceals data or information, commits fraud, forgery, or misleads justice shall be punished with imprisonment for a term not exceeding three years, and it is permissible to order his dismissal from office.

Article 14

Crimes of conflict of interest stipulated in this law are considered as corruption crimes, according to the provisions of Law No. 2 of 2016 referred to.

Article 15

If there is sufficient evidence of a conflict of interest by any of those subject to the financial disclosure system and he did not disclose it according to the procedures prescribed in this law, then this evidence shall be presented to the examining committees of the Authority in accordance with the procedures and regulations stipulated in Law No. 2 of 2016 referred to.

Article 16

The public prosecution shall be exclusively competent to investigate, take action, and prosecute the crimes stipulated in this law.

Article 17

The court may enter into the lawsuit any natural or legal person who it believes to have seriously benefited from a conflict of interest crime, and the verdict shall be confiscation or return against him and shall be enforceable to his assets to the extent that he benefited.

Article 18

The criminal lawsuit in crimes stipulated in this law does not expire, and the penalty imposed for these crimes does not expire on account of lapse of time.

Article 19

The penalties stipulated in this law do not prevent the imposition of any more severe penalty prescribed in any other law.

Article 20

The implementing regulations of this law shall be issued by a decree within three months from the date of issuance of the law, and shall be published in the Official Gazette.

The implementing regulations shall specify the format and data of the disclosure form, as well as the methods and procedures for filing thereof, taking into account the ease of these procedures and the maintenance of the confidentiality of its contents.

Article 21

The Prime Minister and the Ministers - each within his jurisdiction - shall implement this Law, and it shall come into effect after three months from the date of its publication in the Official Gazette.