



**MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF
THE REPUBLIC OF KENYA AND THE GOVERNMENT OF JERSEY ON
FINANCIAL COOPERATION**

Introduction

The Government of the Republic of Kenya and the Government of Jersey, (hereinafter collectively referred to as “the Participants”):

DESIRING to cooperate in a variety of initiatives in accordance with the partnership principles and common approach set out in this Memorandum of Understanding;

APPRECIATING the conclusion of negotiation of the Framework for the Return of Assets from Crime and Corruption in Kenya (FRACCK) between the Governments of the Republic of Kenya, Swiss Federal Council, Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Jersey;

NOTING the signing of the Preliminary Asset Sharing Agreement between participants in March 2017 and the desire to conclude the final Asset Sharing Arrangement between participants.

DESIRING to achieve a well-functioning financial system in order to accelerate economic growth by encouraging Foreign Direct Investment;

SEEKING partnership in the prevention, identification and restitution of illicit financial flows and the proceeds of corruption;

DESIRING to strengthen economic relations between the Participants and promote increased flows of trade and investment for mutual benefit;

RECOGNISING desire to support the provision of Mutual Legal Assistance in the lawful recovery and return and/or sharing of forfeited or confiscated assets;

CONSCIOUS of the importance of continued dialogue to refine opportunities available to both Participants;

HAVE come to the following understanding:-

Paragraph 1: Objective

To explore the possibility of establishing financial cooperation between the Participants by identifying and prioritizing opportunities for collaboration and benefit in selected areas.

Paragraph 2: Mechanism for Cooperation

2.1 The Participants will seek to nominate one (1) representatives each who will coordinate the implementation of co-operation activities and, where necessary develop implementation and monitoring plan(s) for the identified areas of cooperation.

2.2 The Participants will seek to meet on an annual basis at a venue to be agreed upon to review progress of the implementation of the Memorandum of Understanding and explore new ways for financial cooperation.

Paragraph 3: Areas of Cooperation

The Participants will focus on priority areas of mutual interests and expertise which have been identified as follows:-

3.1 Agreement on Avoidance of Double Taxation

The Participants recognise that negotiation of Agreements on Avoidance of Double Taxation (DTAs) have often contributed to economic growth and flows of Foreign Direct Investment (FDI). Therefore, the Government of the Republic of Kenya and the Government of Jersey will consider exploring potential for future cooperation towards possible conclusion of an agreement.

3.2 Asset Recovery and Framework for the Return of Assets from Corruption and Crime in Kenya

3.2.1 In March 2017, the Government of Jersey and the Government of the Republic of Kenya signed a preliminary Asset Sharing Agreement and accepted that a full Asset Sharing Arrangement will ensure funds are returned to Kenya in a manner that ensures transparency, and in line with an initiative to develop a broader framework for asset recovery and repatriation.

3.2.2 The Participants will seek to finalise a full Asset Sharing Arrangement which will operate under the Framework for Return of Assets from Corruption and Crime in Kenya (FRACCK) initiative at the earliest opportunity consistent with the principles agreed in the March 2017 preliminary Asset Sharing Agreement.

3.2.3 The FRACCK will establish a steering committee made up of international partners, including the Participants.

3.2.4 The Participants look forward to collaborate in launching the FRACCK and seek to use it as the primary mechanism for repatriation of stolen assets to Kenya, and for the identification of appropriate developments projects that will receive funds returned via the FRACCK.

3.2.5 The Participants also recognise that the FRACCK could be a significant building block for asset repatriation programmes in other jurisdictions, and are committed to outlining the use of the FRACCK in other appropriate international fora.

4.4 Capacity Building for Tackling Financial Crime

4.4.1 The Participants will explore opportunities in identifying appropriate partners for convening training workshops comparing standards and models on how to detect and prevent illicit cross-border transactions, comparative regulation regimes, prosecution process, broader capacity building and information exchange for the purpose of prevention of financial crime.

4.5 Cooperation in Financial Services

4.5.1 The Participants will explore cooperation on knowledge transfer, skills and policy development in the financial services sector which may involve convening workshops in Jersey and Kenya on regulatory regimes, financial crime policy, training of financial regulatory professions and the enhancement of an environment that is conducive to international financial services.

4.6 Cooperation with Financial Regulators

4.6.1 The Jersey Financial Services Commission (JFSC) and its counterparts in Kenya will explore the potential for cooperation covering regulatory cooperation.

Paragraph 4: Legal Status

4.1 The Memorandum of Understanding is not legally binding.

Paragraph 5: Confidentiality

5.1 Participants will keep confidentially any information or material received in the course of cooperation and may not disclose the same to a third party without written approval by the other

Paragraph 6: Differences in Interpretation and Application

6.1 The Participants will resolve any differences in the interpretation and/or implementation of this Memorandum of Understanding amicably through consultations.

Paragraph 7: Final Deposition

6.1 The Memorandum of Understanding will take effect on the date of its signature by the Participants, and will remain valid for a period of three (3) years, renewable upon review by the Participants.


6.2 This Memorandum of Understanding may be amended by mutual written consent of the Participants.

6.3 Either Participant may terminate this Memorandum of Understanding by giving three (3) months written notice to the other Participant.

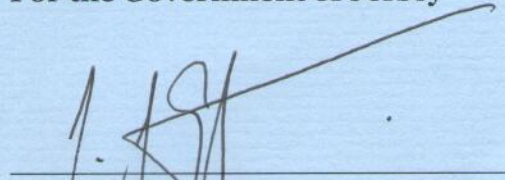
Signed at Nairobi on this.....11th.....day ofDecember.....2018

For the Government of the Republic of Kenya

For the Government of Jersey



Hon. Henry Rotich, EGH,
Cabinet Secretary for the National
Treasury and Planning



Senator Ian Gorst
Minister for External Relations