

CIB-GN(5)

(Issued on 22 June 2007)

(Revised on 15 March 2012)

(Revised on 23 January 2014)

Guidance Note on Annual Certification by Members Being Engaged in Long Term Insurance Business for Compliance with IA's Guideline on Anti-Money Laundering and Counter-Terrorist Financing

According to Membership Regulation 3.5, the General Committee is issuing this Guidance Note on Annual Certification by Members Being Engaged in Long Term Insurance Business for Compliance with IA's Guideline on Anti-Money Laundering and Counter-Terrorist Financing.

Background

The Guideline on Anti-Money Laundering and Counter-Terrorist Financing is issued by the Insurance Authority and takes effect as from 1 April 2012.

The Annual Certification Requirement

It is specified in the said Guideline that failure to comply with any of its provision may reflect adversely on the fitness and properness of directors and controllers of an insurance broker, and may result in disciplinary action taken against it. Whilst we rely upon Members to develop and implement the AML/CFT System, we prescribe hereby the Annual Certification requirement that Members who are engaged in Long Term Insurance Business are to certify compliance by using the appended form prescribed by the General Committee:

QUOTE

Compliance with the Guideline on Anti-Money Laundering and Counter-Terrorist Financing ("the Guideline")

(Applicable only to Member engaged in Long Term Insurance Business)

This is to certify that:

- (1) A Compliance Officer (namely, _____), who is a director or senior manager of our company, has been appointed and has been carrying out the functions in accordance with the Guideline;
- (2) A Money Laundering Reporting Officer (namely, _____), who is a senior staff member of our company, has been appointed and has been carrying out the functions in accordance with the Guideline;
- (3) We have formulated, maintained, operated policies and procedures in relation to the Guidelines, including
 - (a) Staff screening and training;
 - (b) Maintenance and update of database of terrorist suspects and designated parties;
 - (c) Ongoing customer risk assessment (e.g. any risk rating);

- (d) Ongoing customer due diligence (e.g. identification and verification of identity and address proof, including that of beneficiary and beneficial owner);
 - (e) Any additional measures for high risk situations (e.g. non face-to-face transactions);
 - (f) On-going monitoring and customer base screening;
 - (g) Recognition and reporting of suspicious transactions;
 - (h) Record keeping of the documents related to risk assessment and customer due diligence, transaction records, registers of suspicious transaction reports, training records;
- (4) We have regularly reviewed and updated our anti-money laundering/counter-financing of terrorism system (“AML/CFT System”);
- (5) Our Senior Management is satisfied that our AML/CFT System is capable of addressing the money laundering/terrorist financing risks identified, including those of our branches/subsidiaries overseas, if any.

Signature of Chief Executive/a Director

Name in print

Date

UNQUOTE

This form of Annual Certification will be sent to Members with the debit note for membership subscription. It shall be signed by Chief Executives of Members and be filed with CIB together with payment of membership subscription due on 1 April each year.

Non-submission of this form when due or misrepresentation in the form will be a conduct by the Member, its Chief Executive, directors and controllers that may be injurious to the character and interests or prejudicial to the objects of CIB. The matter will be referred to the Disciplinary Committee for investigation into the fitness and properness of the Member, its Chief Executive, directors and controllers.

Note: “Controller” means, as specified in the Membership Regulation, in relation to a Member (a) a managing director of a Member or of a body corporate of which the Member is a Subsidiary; or (b) a chief executive of a Member or of a body corporate of which the Member is a Subsidiary; and (c) a person (i) in accordance with whose directions or instructions the directors of a Member or a body corporate of which the Member is a Subsidiary are accustomed to act; (iii) who, alone or with any associate or through a nominee, is entitled to exercise, or control the exercise of, 15% or more of the voting power at any general meeting of a Member or of a body corporate of which the Member is a Subsidiary.

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