

# THE INSURANCE COMMISSION OF THE BAHAMAS



## NOTICE

**To:** All Registered Long-term Insurers

**Date:** November 20, 2018

**Re:** Amendment to the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Guidelines for Insurance Companies and Submission of Comprehensive Risk Assessment

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We refer to our notice dated July 18, 2018 regarding the amendments to the Financial Transactions Reporting Act (FTRA) 2018 and Proceeds of Crime Act (POCA) 2018 which came into force on May 25, 2018. From these amendments the Insurance Commission of The Bahamas ("the Commission") outlined the legislative requirements that impact all registered insurers and intermediaries of the insurance industry.

From these legislative requirements and deficiencies noted within the Financial Action Task Force (FATF) 40 Recommendations, the Commission has updated its Guidelines for Insurance Companies on Anti-Money Laundering and Combating the Financing of Terrorism & Proliferation Financing (AML/CFT/PF Guidelines). The amended AML/CFT/PF Guidelines address specific supervisory and reporting requirements for all insurance companies which include, but are not limited to the following key areas:

- Internal Controls and Procedures
- Customer Due Diligence and Ongoing Due Diligence Requirements
- Verification Details and Documentary Evidence Procedures
- Reliance on third parties
- Statutory Requirements to maintain records
- Mandatory requirement to appoint a Compliance Officer
- General Insurance obligations

Notwithstanding the above, several of the existing sections have been amended to reflect the changes the Commission will take in its supervisory approach to monitoring and assessing the ML/FT/PF risk within the insurance sector. The Commission encourages all licensees to review the amended AML/CFT/PF Guidelines and to assess the level of compliance required by your institution. The amended AML/CFT/PF Guidelines can be found on our website ([www.icb.gov.bs](http://www.icb.gov.bs)) under the tab Domestic Insurers – Policies and Guidelines.

Additionally, pursuant to section 5 (3) of the Financial Transactions Reporting Act, 2018, every financial institution is required to document in writing the outcome of a risk assessment and make it available to the Commission, in the first instance, and thereafter upon request. The risk assessment should identify, assess and understand the risk associated with money laundering, financing of terrorism and proliferation financing (ML/FT/PF) and should:

- Identify and assess the ML/FT risks associated with its facility holders, jurisdictions and geographic areas, products, services, transactions and delivery channels
- Appropriately assess the level of risk of their business relationships and facility holders as High, Medium or Low
- Refer to the most recent National Risk Assessment and any issued guidelines by the Commission
- Inform senior management of compliance initiatives, identified compliance deficiencies and corrective actions taken
- Enable the timely identification and filing of suspicious transaction reports
- Include the appropriate measures your institution will take to manage and mitigate those identified risks
- Provide for adequate supervision of employees and intermediaries who handle customer onboarding, transactions (including non-financial transactions such as assignments), management reporting, granting exemptions, monitor for suspicious activity or engage in any other activity that forms part of the business' AML/CFT program.

Subject to the above, the Commission requests all registered long-term insurers to submit a copy of your institution's comprehensive risk assessment policy on or before Tuesday April 30, 2019.

The Commission encourages all licensees to adhere to submission deadline. Should you have any further inquiries please direct your comments/queries via email to [policies@icb.gov.bs](mailto:policies@icb.gov.bs).



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Superintendent of Insurance

