



Regulatory Newsflash

FSMA communication regarding AML/CFT requirements for non-exclusive insurance intermediaries dealing in life insurances

Introduction

On 20 September the FSMA published its communication 2016_16 ([NL](#) | [FR](#)) containing a summary of the most important requirements for non-exclusive insurance intermediaries (dealing in life insurances) regarding Anti-Money Laundering and the fight against the financing of terrorism/proliferation of weapons of mass destruction (AML/CFT).

Since 12 January 2004, non-exclusive insurance intermediaries (insurance brokers and non-exclusive agents and their agents dealing in life insurance) have to comply with the requirements of the AML/CFT legislation:

- [Law of 11 January 1993](#)
- Circular ([NL](#) | [FR](#))

The communication, published within the context of the increased number of inspections performed by the FSMA on the non-exclusive insurance intermediaries, lists the definitions of ML/FT, the predicate offences of ML and the components of

serious fiscal fraud whether organized or not. It does not impose new requirements for the non-exclusive insurance intermediaries but summarizes the most important AML/CFT requirements applicable to these intermediaries.

Overview

As set out more in detail below, the communication firstly lists, in a non-exhaustive way, the most important AML/CFT requirements for non-exclusive insurance intermediaries dealing in life insurances and recommends a clear allocation of tasks between the intermediary and the insurance company. It then gives more information about the controls the FSMA can perform on these intermediaries. Finally, the communication also refers to the AML/CFT indicators for the life insurance business as recently adapted by the CFI/CTIF.

- **List of the most important AML/CFT requirements for non-exclusive insurance intermediaries dealing in life insurances:**

- Know Your Customer: identification and verification of the identity of the client, its proxies and ultimate beneficial owners.
- Set-up of a client acceptance policy and acceptance of clients in line with this policy.
- Ongoing monitoring of transactions and business relation.
- Set-up of an adequate internal organization including the appointment of an AML/CFT responsible person.
- Active collaboration with the Financial Intelligence Unit (CFI/CTIF).
- Training of the collaborators of the intermediaries.

As also recommended in its Circular 2010_09, the FSMA focuses again in this communication on the allocation of tasks between the insurance intermediary and the insurance company regarding client and ultimate beneficial owner identification and the detection of atypical transactions. Irrespective of the allocation of tasks, the responsibility for these tasks remains with the insurance intermediary.

- **FSMA controls:**

The FSMA is charged with performing controls of the non-exclusive insurance intermediaries' compliance with the applicable AML/CFT legislation. As such the FSMA can ask for supporting documents and evidence or can perform an audit at the offices of the intermediaries. The communication includes a list of questions used by the FSMA during their recent controls.

- **AML indicators in life insurance industry:**

The communication lists a number of situations where particular vigilance is required towards suspicious operations in the life insurance industry. The situations are based on the examples and case studies elaborated by the CFI-CTIF in 2012 and recently updated in July 2016 ([NL](#) | [FR](#)).

Contact

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