



Regulatory Newsflash

FATF public consultations on draft risk-based approach (RBA) guidance for the life insurance sector and the securities sector.

On 6 July 2018, the Financial Action Task Force (FATF) has published the following drafts for consultation:

- [Draft RBA guidance for the life insurance sector](#), as an update of its 2009 RBA Guidance, in order to bring it in line with the revised FATF requirements; and
- [Draft RBA guidance for the securities sector](#), to be read in conjunction with [the 2009 report on money laundering and terrorist](#)

[financing \(“ML/TF”\) in the securities sector](#), which outlines vulnerabilities in the sector.

The two documents are intended to provide support both to the private sector and to supervisors, by focusing on Money Laundering (ML) and Terrorism Financing (TF) risks and measures to mitigate these risks.

The purpose of the two draft guidance documents is to:

- Outline the key elements involved in applying a RBA to AML/CFT in the life insurance and the securities sector;
- Assist countries, competent authorities, insurers, providers of securities products and services and intermediaries with the design and implementation of a RBA to AML/CFT by providing general guidelines and examples of current practices.
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After developing the general FATF approach on RBA, the draft guidance for the life insurance sector provides further guidance for life insurers and insurance intermediaries, providing life insurance and other investment-related insurance products, on risk assessment, risk mitigation and internal controls, governance and monitoring. Section III of the draft includes specific guidance for supervisors. Annex B includes specific examples of risk factors relevant for the ML/TF risk assessment of insurance companies.

A similar approach has been applied for the draft RBA guidance for the securities sector. Furthermore, annex B gives an overview of relevant suspicious activity indicators for this sector.

Views and specific proposals are welcomed until 17 August 2018. The FATF intends to adopt both final guidance documents at its October 2018 Plenary meeting.

Contact

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