



Guernsey Financial  
Services Commission

## Overview of the IAIS Insurance Core Principles on Anti-Money Laundering and Combating Financing of Terrorism

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# Content

- FATF Recommendations
- IAIS CP 22 on Anti-Money Laundering and Combating the Financing of Terrorism
- What kind of supervisor are you?
- Role of the insurance supervisor in combating ML & TF
- Risk case study



# The International Standard Setters



**IAIS**

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INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS



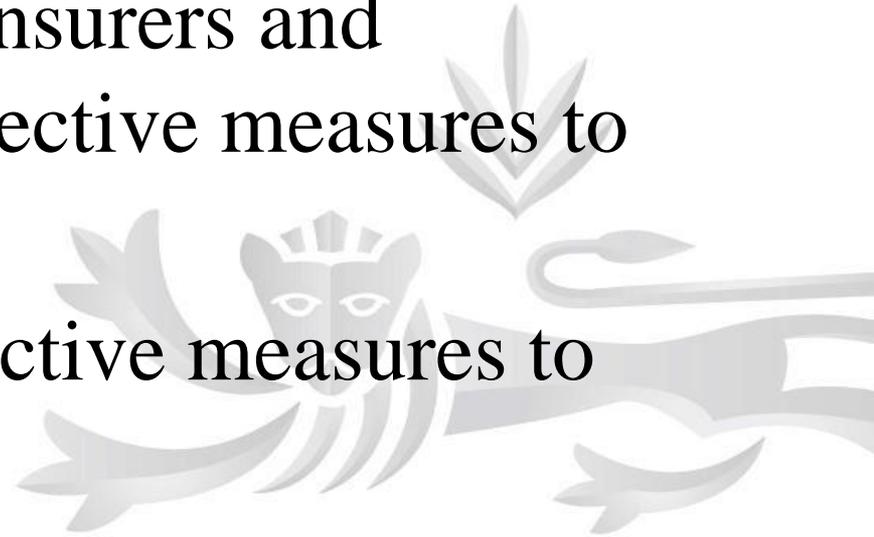
# The FATF Recommendations

Policy	Preventive measures	Operational measures
Assessing Risk	Licensing & supervision	Criminalisation of ML & TF offences
Co-operation & co-ordination	CDD, record-keeping & reporting suspicion	Intelligence
	Transparency of beneficial ownership	Investigation
		Prosecution
		Confiscation
<b>Government</b>	<b>Supervisors Private sector</b>	<b>Financial Intelligence Units Law Enforcement</b>

## ICP 22

# Anti-Money Laundering and Combating the Financing of Terrorism

- The supervisor requires insurers and intermediaries to take effective measures to combat ML & TF
- The supervisor takes effective measures to combat ML & TF



# AML & CFT responsibilities under ICP22

	Ins & AMLCFT	Ins only
Understand ML & TF risk exposure	Y	Y
Issue enforceable rules	Y	N
Provide guidance	Y	N
Give feedback	Y	N
Apply risk based AML & CFT supervision	Y*	N*
Review effectiveness of AML & CFT measures	Y	N
Co-operation and co-ordination	Y	Y

# The FATF Recommendations

<b>Policy</b>	<b>Preventive measures</b>	<b>Operational measures</b>
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# Assessing risk and applying risk-based measures



# Supervisory framework

- Taking account of ML risk
- Taking account of TF risk
- Risk-based supervision
- Remediation
- Enforcement
- Resourcing supervision and enforcement



# Effectiveness

- Assessing effectiveness
- Proving effectiveness
- Information and statistics
- Making improvements



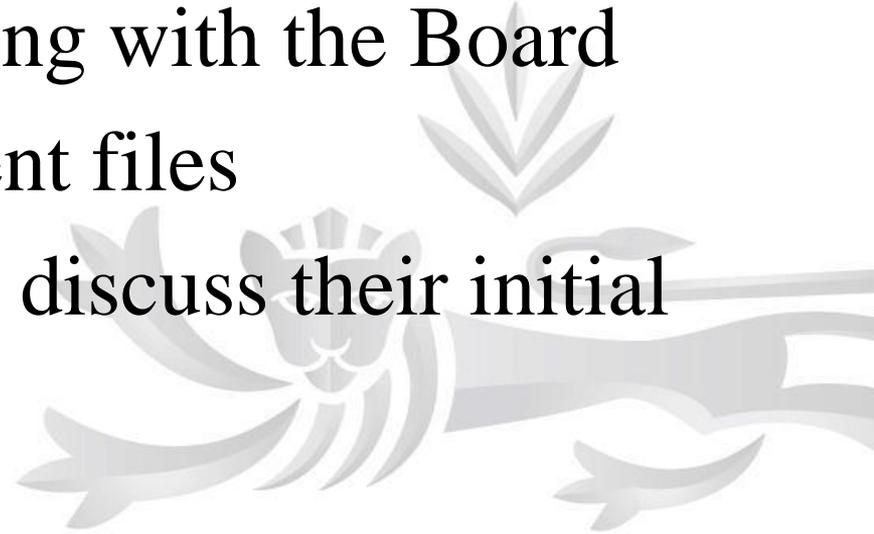
# Co-operation and Co-ordination



# Risk management in practice?

Hypothetical firm but real issues

- 20 minute video divided into 3 scenes
- 1<sup>st</sup> scene – opening meeting with the Board
- 2<sup>nd</sup> scene – review of client files
- Final scene – supervisors discuss their initial findings with the Board





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Questions?

