

# IAIS Consultation

Print view of your comments on "Draft revised ICP 22 (Anti-Money Laundering and Combatting the Financing of Terrorism)" - Date: 15.08.2019, Time: 09:09

<b>Organisation</b>	Global Federation of Insurance Associations
<b>Jurisdiction</b>	Global
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<b>Treat my comments as confidential</b>	No

Question	
	Q1 General Comment on draft revised ICP 22
<b>Answer</b>	<p>The Global Federation of Insurance Associations (GFIA) appreciates the opportunity to provide input on the draft revised ICP 22. Our members support strong, pragmatic measures to ensure that the life insurance sector does not become a vehicle for money laundering or terrorist financing. We are pleased that s. 22.0.6 of the draft recognizes FATF's assessment that "ML/TF risks associated with the insurance sector are generally lower than those associated with other financial products (such as loans or payment services) or other sectors (such as banking)." We also support the longstanding commitment by the IAIS to a "risk-based approach" which is reiterated several times in the draft revised ICP. Bearing these principles in mind, supervisors will be encouraged to allocate resources efficiently when discharging their responsibilities. We do have suggestions which we believe will improve alignment between ICP 22 and the FATF approach to ML/TF oversight, as follows - Tables 1 and 2 of the 2018 FATF Guidance for a Risk-Based Approach enumerate risk factors which heighten an insurer's exposure to ML/TF abuse. Sections 22.1.5 (product risk); 22.1.6 (service and transaction risk); 22.1.8 (geographic risk); 22.1.9 (customer risk); and 22.1.10 (delivery channel risk) of the IAIS draft also set out similar considerations. Although the two documents aim to address the same underlying concerns, some of the risk factors in the FATF document are not found in the IAIS draft, and vice versa. In other cases, different language is used to describe similar circumstances. We suggest that the draft ICP delete the above-noted sections and incorporate by reference Tables 1 and 2 of the FATF Guidance to avoid confusion and duplication. This change would accord with section 22.0.5 of the ICP, stating that "The IAIS is a FATF Observer Organization and, accordingly, has endorsed the FATF Recommendations." It would also facilitate compliance with the second part of section 22.0.5, "This ICP is intended to be consistent with the FATF Recommendations: however, compliance with the FATF Recommendations does not necessarily imply observance of ICP 22 nor does observance of ICP 22 necessarily imply compliance with the FATF Recommendations."</p> <p>- We note that section 22.1.7 of the draft introduces a new term, "market risk", which is defined to include geographic and customer risk (with the latter terms used by the FATF). As such, we suggest that throughout the document the term "market risk" be replaced with "customer and geographic risk". We are also concerned that jurisdictions are invited to consider applying the FATF Recommendations and the ICP to the non-life insurance sector. The FATF Risk-Based Guidance for the Life Insurance sector is clear and specifically excludes non-life insurance activities. Moreover, the FATF Recommendations themselves apply exclusively to life insurance companies. Given the low risk of the non-life sector, we believe that ICP 22 should mirror the FATF Risk-Based Guidance and explicitly exclude the non-life sector.</p>

Q2 Comment on ICP 22 Statement

**Answer**

[Redacted]

Q3 Comment on 22.0.1

**Answer**

[Redacted]

Q4 Comment on 22.0.2

**Answer**

[Redacted]

Q5 Comment on 22.0.3

**Answer**

[Redacted]

Q6 Comment on 22.0.4

**Answer**

[Redacted]

Q7 Comment on 22.0.5

**Answer**

We support the desire for consistency with FATF Recommendations and suggest minimization of requirements that are overlaid on those requirements.

Q8 Comment on 22.0.6

**Answer**

We support the recognition that ML/TF risks associated with the insurance sector are generally lower than other financial products.  
As outlined in our introductory remarks, we believe non-life insurance should be beyond the ambit of ICP 22.

Q9 Comment on 22.0.7

**Answer**

[Redacted]

Q10 Comment on 22.0.8

**Answer**

[Redacted]

Q11 Comment on 22.0.9

**Answer**

[Redacted]

Q12 Comment on 22.0.10

**Answer**

[Redacted]

Q13 Comment on 22.0.11

**Answer**

[Redacted]

Q14 Comment on 22.0.12

**Answer**

[Redacted]

Q15 Comment on 22.0.13

<b>Answer</b>	
	Q16 Comment on 22.1
<b>Answer</b>	
	Q17 Comment on 22.1.1
<b>Answer</b>	
	Q18 Comment on 22.1.2
<b>Answer</b>	
	Q19 Comment on 22.1.3
<b>Answer</b>	Please consider deleting the reference to “market risk”, and merely refer to geographic and customer risk.
	Q20 Comment on 22.1.4
<b>Answer</b>	
	Q21 Comment on 22.1.5
<b>Answer</b>	Consistent with the response to Q1 please consider deleting the sub-bullets and cross-referencing FATF Risk-Based Approach.
	Q22 Comment on 22.1.6
<b>Answer</b>	Consistent with the response to Q1, please consider deleting the sub-bullets and cross-referencing FATF Risk-Based Approach.
	Q23 Comment on 22.1.7
<b>Answer</b>	Please consider deleting the reference to “market risk”, and merely refer to geographic and customer risk.
	Q24 Comment on 22.1.8
<b>Answer</b>	Consistent with the response to Q1, please consider deleting the sub-bullets and cross-referencing FATF Risk-Based Approach.
	Q25 Comment on 22.1.9
<b>Answer</b>	Consistent with the response to Q1, please consider deleting the sub-bullets and cross-referencing FATF Risk-Based Approach.
	Q26 Comment on 22.1.10

<b>Answer</b>	Consistent with the response to Q1, please consider deleting the sub-bullets and cross-referencing FATF Risk-Based Approach.
	Q27 Comment on 22.1.11
<b>Answer</b>	
	Q28 Comment on 22.1.12
<b>Answer</b>	
	Q29 Comment on 22.1.13
<b>Answer</b>	
	Q30 Comment on 22.2
<b>Answer</b>	
	Q31 Comment on 22.2.1
<b>Answer</b>	
	Q32 Comment on 22.2.2
<b>Answer</b>	
	Q33 Comment on 22.2.3
<b>Answer</b>	Replace reference to “markets” with “geographies and clients”
	Q34 Comment on 22.2.4
<b>Answer</b>	
	Q35 Comment on 22.2.5
<b>Answer</b>	
	Q36 Comment on 22.3
<b>Answer</b>	
	Q37 Comment on 22.3.1
<b>Answer</b>	
	Q38 Comment on 22.3.2
<b>Answer</b>	
	Q39 Comment on 22.3.3
<b>Answer</b>	
	Q40 Comment on 22.3.4
<b>Answer</b>	

Q41 Comment on 22.3.5

**Answer**

Q42 Comment on 22.3.6

**Answer**

Q43 Comment on 22.3.7

**Answer**

Q44 Comment on 22.4

**Answer**

Q45 Comment on 22.4.1

**Answer**

Q46 Comment on 22.4.2

**Answer**

Q47 Comment on 22.4.3

**Answer**

Q48 Comment on 22.5

**Answer**

Q49 Comment on 22.5.1

**Answer**

Q50 Comment on 22.5.2

**Answer**

Q51 Comment on 22.5.3

**Answer**

Q52 Comment on 22.5.4

**Answer**

Q53 Comment on 22.5.5

**Answer**

Q54 Comment on 22.5.6

**Answer**

Q55 Comment on 22.6

**Answer**

Q56 Comment on 22.6.1

**Answer**

Please consider deleting the reference to “market risk”, and merely refer to geographic and customer risk.

Q57 Comment on 22.6.2

**Answer**

Q58 Comment on 22.6.3

**Answer**

Q59 Comment on 22.6.4

**Answer**

Q60 Comment on 22.7

**Answer**

Q61 Comment on 22.7.1

**Answer**

Q62 Comment on 22.7.2

**Answer**

Q63 Comment on 22.7.3

**Answer**

Q64 Comment on 22.7.4

**Answer**