

GUIDELINES FOR THE COMPLETION OF AML RISK REPORTING FORM 1

General Instructions

Insurance companies are defined as reporting entities under the Money Laundering and Terrorism (Prevention) Act.

This AML Risk Assessment Form is to be submitted 30 days after the end of the each month. It is to include information relating to the company's activity for the prior month. All required information are to be reported in accordance with these instructions. For those sections which do not apply, please insert 'N/A'.

Persons are to be categorized as either a Belizean or Foreigner and also as either a Domestic PEP or Foreign PEP, if appropriate. For example, current Chief Justice is Guyanese. He will be counted in both "B" foreign policyholder and "C" domestic PEP.

1. Belizean – Persons holding Belizean Nationality
2. Foreigners – Persons not holding Belizean Nationality that may or may not reside in Belize.
3. Dual Nationality Persons - Persons with Belize nationality and a foreign Nationality
4. Domestic PEPs – Persons who is, or has been entrusted with a prominent public function by Belize. (Section 2A, MLTPA)
5. Foreign PEPs - Persons who is, or has been entrusted with a prominent public function by a country other than Belize. (Section 2A, MLTPA)

Section 2A, MLTPA is an appendix to these guidelines.

A. Cancellation/Surrenders for the Month

Policies – Report the total number of policies that were cancelled or surrender by the different type of policyholders for the month. Also provide the number of policies that lapsed.

- I. Cancelled (General)
- II. Cancelled (Life)
- III. Surrendered (Life)
- IV. Lapsed (Life)

B. Business Declined or Terminated based on Recommendation from the Compliance Department

- I. Total # of applicants declined – provide total number of applicants (persons, not applications) that were declined based on a recommendation from the Compliance Officer/Department after AML/CFT review done.
- II. Total # of policyholders terminated by non-renewal of policies – provide total number of persons who could not get their policies renewed or reinstated based on a recommendation from the Compliance Officer/Department after AML/CFT review done.
- III. Total # of business relationship terminated - provide total number of persons whose business relationship was terminated, that is policy cancelled or premium refunded based on a recommendation from the Compliance Officer/Department after AML/CFT review done.

C. Unusual Transaction Reports (UTR) and Suspicious Transaction Reports (STR) filed

1. Unusual Transaction Reports to the Compliance Department – total number of reports submitted to the Compliance Department for review which may have been considered unusual or suspicious.
2. Suspicious Transaction Reports filed with the Financial Intelligent Unit (FIU) – total STRs filed
 - a. STRs generated from Compliance Monitoring – of the total STRs filed with FIU (line2), how many of those resulted from compliance monitoring, such as review of files, updates of files, confirmation of information provided by the applicant, etc.
 - b. STRs generated from front line personnel – of the total STRs filed with FIU (line2), how many of those resulted from immediate detection of suspicious or unusual transactions/activities by the front line personnel, such as sales officers or claim officers.
 - c. STRs filed based on information from Regulatory or Supervisory agencies – of the total STRs filed with the FIU (line 2), how many resulted from a review of files due to requests made or information provided by the Regulators or Supervisors. For example, CFATF Public Statements circulated by the Supervisors may prompt a reporting entity to file an STR on a

person/entity originating from a particular country listed within the Public Statement.

- d. STRs filed based on information from media - of the total STRs filed with the FIU (line 2), how many resulted from a review of files due to news items or other items found on the media.

D. Premium Income paid in cash

Out of the total premium income collected per month (Column A), state the amount which was paid in cash only (Column B).

This information is to be broken down in 5 categories:

1. Head Office – principal business place, includes branches of the company within Belize
2. Insurance Agent – business obtained from individual agents
3. Insurance Corporate Agents – business obtained from agents that are licensed as corporate agents, for example Bravo Motors, banks, etc.
4. Insurance Brokers – business that is channeled through licensed insurance brokers.
5. Others, specify – enter the name of the type of source

Intermediaries and branch offices are to record and report to the insurer the receipt of premium payment made in cash. This information is then inputted into lines 1, 2 and 3.

If brokers pay the insurance companies in cash, then that premium is recorded in line 4.

Appendix I

Politically Exposed Person as defined by the Money Laundering & Terrorism (Prevention) Act

Meaning of “politically exposed person” etc.

2A. (1) *“Politically exposed person” means—*

- (a) a foreign politically exposed person;*
- (b) a domestic politically exposed person; or*
- (c) a person who is, or has been, entrusted with a prominent function by an international organization.*

(2) *“Foreign politically exposed person” means a person who is, or has been, entrusted with a prominent public function by a country other than Belize.*

(3) *“Domestic politically exposed person” means a person who is, or has been, entrusted with a prominent public function by Belize.*

(4) *Without limiting subsections (2) or (3), the following have or exercise prominent public functions in relation to a country—*

- (a) heads of state, heads of government and senior politicians;*
- (b) senior government or judicial officials;*
- (c) high-ranking officers in the armed forces;*
- (d) members of courts of auditors or of the boards of central banks;*
- (e) ambassadors and chargés d'affaires;*
- (f) senior executives of state-owned corporations; and*
- (g) important political party officials.*

(5) *“International organization” means an entity—*

- (a) established by formal political agreement between its member countries that has the status of an international treaty;*
- (b) whose existence is recognized by law in its member countries; and*
- (c) not treated as a resident institutional unit of the country in which it is located.*

(6) *For the purposes of paragraph (1)(c), the following have or exercise prominent functions in relation to an international organization—*

- (a) the directors and deputy directors of the international organization;*
- (b) the members of the board or governing body of the international organization; and*
- (c) other members of the senior management of the international organization.*

(7) *The following are immediate family members of a politically exposed person—*

- (a) a spouse;*
- (b) a partner;*
- (c) children and their spouses or partners;*
- (d) parents;*
- (e) grandparents and grandchildren; and*
- (f) siblings.*

(8) *For the purposes of paragraphs (7)(b) and (c), “partner” means —*

- (a) a person who lives in a domestic relationship which is similar to the relationship between husband and wife; or*
- (b) a person in a relationship with another person who is considered by the law of the jurisdiction which applies to the relationship as equivalent to a spouse.*

(9) *The following are close associates of a politically exposed person—*

(a) any person known to maintain a close business relationship with that person or to be in a position to conduct substantial financial transactions on behalf of the person;

(b) any person who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations, with that person; and

(c) any person who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit of that person.

(10) For the purposes of deciding whether a person is a close associate of a politically exposed person, a service provider need only have regard to information which is in that person's possession or is publicly known. (Act 7 of 2014, s.3)