

The following text has been elaborated by the CAA for information purposes. The French version of this Circular letter is the only authentic version.

## **Circular letter 17/10 of the Commissariat aux Assurances specifying the procedures for introduction a new qualitative questionnaire on the fight against money laundering and terrorist financing (AML/CFT)**

Commissariat aux Assurances Circular Letter 11/2 of 8 February 2011 introduced a first qualitative questionnaire, which enabled the Commissariat to assess in a case-by-case and objective manner the level of AML/CFT measures put in place by the insurance sector.

As part of the implementation of the guidelines on risk-based AML/CFT supervision<sup>1</sup>, the Commissariat revised this questionnaire for the purposes of collecting systematic, standardised and updated information that will enable it to assess the compliance and effectiveness of the AML/CFT system of the various players in the insurance sector. This will provide the Commissariat with more effective guidance for its monitoring activities.

The scope of this circular letter is initially limited to life insurance companies and will subsequently be extended to non-life insurance companies and reinsurance companies where they carry out credit/surety operations as well as brokers and brokerage firms.

### Instructions for use

The qualitative questionnaire contains two parts, namely the questionnaire itself and a narrative report.

The answers to points I.7, II.14 and II.52 must be provided in the narrative report.

For other points, it is mandatory to provide details in the narrative section depending on the answer provided. In the event of responding

- "no" or "partially" for questions II.2, II.6, II.8, II.9, II.47, III.1, III.2, III.5, III.6 and III.8
- "yes" for questions II.39 and III.9
- "Other frequency" for questions II.29, II.30 and II.41

For all other questions, the Commissariat encourages firms to provide comments in the narrative report that clarify, qualify or, if necessary, briefly justify the answer provided.

The electronic questionnaire, a printed copy of which may be found in the appendix to this circular letter, will be sent to the concerned companies through the usual transmission channel (SOFiE/E-File) in the form of a specific survey (ESP).

The questionnaire must be completed by the AML/CFT compliance officer as defined in Art. 38 of Commissariat aux Assurances Regulation N° 13/01 of 23 December 2013. Firms are requested to return the

<sup>1</sup> [https://esas-joint-committee.europa.eu/Publications/Guidelines/Joint%20Guidelines%20on%20risk-based%20supervision\\_EN%20%28ESAs%202016%2072%29.pdf](https://esas-joint-committee.europa.eu/Publications/Guidelines/Joint%20Guidelines%20on%20risk-based%20supervision_EN%20%28ESAs%202016%2072%29.pdf)

EXCEL questionnaire via SOFiE/E-File and the narrative report by simple letter, signed jointly by the authorised executive and the AML/CFT compliance officer, in the case of two different persons.

Responses to the qualitative questionnaire must be received by the Commissariat by 31 January 2018 at the latest and cover the situation as of **1<sup>st</sup> January 2018**.

The Commissariat will verify the accuracy of the responses provided, particularly during on-site visits.

For the Directorate,

Claude WIRION  
Director

# Qualitative questionnaire on the fight against money laundering and terrorist financing (AML/CFT)

of the firm

**Name of the firm**

LEI

Deadline for submission:  
31/01/2018

## I. Governance at 1 January 2018

- |                        |   |  |                        |               |               |                  |                  |
|------------------------|---|--|------------------------|---------------|---------------|------------------|------------------|
| I.1                    | Name of the AML/CFT officer appointed in accordance with art. 38 (1) of CAA Regulation No. 13/01 of 23 December 2013 (CAA RGL)<br>- Number of years in this position within the firm<br>- Number of years of experience (total) in the AML/CFT field<br>- Email address<br>- Telephone number | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>free text</i></td></tr> <tr><td style="padding: 2px;"><i>number</i></td></tr> <tr><td style="padding: 2px;"><i>number</i></td></tr> <tr><td style="padding: 2px;"><i>free text</i></td></tr> <tr><td style="padding: 2px;"><i>free text</i></td></tr> </table> | <i>free text</i>       | <i>number</i> | <i>number</i> | <i>free text</i> | <i>free text</i> |
| <i>free text</i>       |   |  |                        |               |               |                  |                  |
| <i>number</i>          |   |  |                        |               |               |                  |                  |
| <i>number</i>          |   |  |                        |               |               |                  |                  |
| <i>free text</i>       |   |  |                        |               |               |                  |                  |
| <i>free text</i>       |   |  |                        |               |               |                  |                  |
| I.2                    | Does the AML/CFT officer have other responsibilities (and tasks) within the firm?<br>if so, which ones?   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
|                        | - Compliance (Conformité)   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
|                        | Risk Management   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
|                        | - Legal   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
|                        | - Commercial  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
|                        | - Other(s)  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>free text</i></td></tr> </table>   | <i>free text</i>       |               |               |                  |                  |
| <i>free text</i>       |   |  |                        |               |               |                  |                  |
| I.3                    | % of working time spent as AML/CFT officer  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>percentage rate</i></td></tr> </table>   | <i>percentage rate</i> |               |               |                  |                  |
| <i>percentage rate</i> |   |  |                        |               |               |                  |                  |
| I.4                    | How many FTEs does the AML/CFT team have within the firm (including the AML/CFT officer)?   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>number</i></td></tr> </table>  | <i>number</i>          |               |               |                  |                  |
| <i>number</i>          |   |  |                        |               |               |                  |                  |
| I.5                    | Average number of years of experience per employee of the team (in the AML/CFT field) (including the AML/CFT officer):  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>number</i></td></tr> </table>  | <i>number</i>          |               |               |                  |                  |
| <i>number</i>          |   |  |                        |               |               |                  |                  |
| I.6                    | Has the firm signed the ACA Quality Charter?  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>   | no                     | yes           |               |                  |                  |
| no                     |   |  |                        |               |               |                  |                  |
| yes                    |   |  |                        |               |               |                  |                  |
| I.7                    | Describe by flowchart the position, level of hierarchy and reporting lines of the AML/CFT officer (AML/CFT Committee, authorized management, board of directors, parent company, etc.) in the narrative part.   |  |                        |               |               |                  |                  |

## II. General internal organization

### AML/CFT Policy.

- |                  |  |   |                  |           |     |                |
|------------------|--|---|------------------|-----------|-----|----------------|
| II.1             | Has the firm's AML/CFT policy been validated by the current AML/CFT officer or, as the case may be, by his predecessor?  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | yes       |     |                |
| no               |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
| II.2             | Does the firm's AML/CFT policy include the elements required by art. 36 (2) of the CAA RGL?  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">partially</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | partially | yes |                |
| no               |  |   |                  |           |     |                |
| partially        |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
| II.3             | Does the AML/CFT officer regularly verify the AML/CFT policy?<br>if so, how often?   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | yes       |     |                |
| no               |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
|                  | - At least once a year   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | yes       |     |                |
| no               |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
|                  | - With each change to regulations and procedures   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | yes       |     |                |
| no               |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
|                  | - Other  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>free text</i></td></tr> </table>  | <i>free text</i> |           |     |                |
| <i>free text</i> |  |   |                  |           |     |                |
| II.4             | Date of the last update:   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;"><i>date</i></td></tr> </table>   | <i>date</i>      |           |     |                |
| <i>date</i>      |  |   |                  |           |     |                |
| II.5             | Is the revision of the AML/CFT policy systematically accompanied by an action plan approved by the authorized executive?   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">yes</td></tr> </table>  | no               | yes       |     |                |
| no               |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
| II.6             | Does the firm have an AML/CFT policy that is formally coordinated with the other entities of its group, with its branches and subsidiaries in Luxembourg and abroad? | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="padding: 2px;">no</td></tr> <tr><td style="padding: 2px;">partially</td></tr> <tr><td style="padding: 2px;">yes</td></tr> <tr><td style="padding: 2px;">not applicable</td></tr> </table> | no               | partially | yes | not applicable |
| no               |  |   |                  |           |     |                |
| partially        |  |   |                  |           |     |                |
| yes              |  |   |                  |           |     |                |
| not applicable   |  |   |                  |           |     |                |

II.7	Does the firm's AML/CFT policy provide for a catalogue of sanctions in the event of non-compliance with the policy or related procedures?	no yes
II.8	Has the firm identified and assessed the ML/TF risks to which it is exposed, in accordance with art. 3 of the CAA RGL?	no yes
II.9	Has the firm classified all existing customers (including those before February 2011) according to different levels of risk as defined by art. 4 (1) of the CAA RGL?	no yes
II.10	Is each acceptance of a new customers authorized by an adequate hierarchical decision-making level, within the meaning of art. 8 of the CAA RGL?	no yes
II.11	Does the firm have an acceptance committee?	no yes
	if so:	
	- What is its composition? (names and functions)	<i>free text</i>
	- Does it have a specific and written mandate, integrated in the AML/CFT policy?	no yes
	- Are minutes of the meetings of this committee being prepared?	no yes
II.12	Do you document, in accordance with art. 10 (1) of the CAA RGL, each contact with a questionnaire adapted to the profile of the customer and the transaction?	no yes
II.13	In which cases does the AML/CFT policy and firm's acceptance procedures take into account the increased ML/TF risk and require the implementation of enhanced due diligence measures?	
	- Remote entry into a relationship	no yes
	- Politically Exposed Persons (PEPs)	no yes
	- Countries with insufficient AML/CFT measures (at-risk countries)	no yes
	- Activity considered by its nature to be sensitive to ML/TF	no yes
	- Complex structure/arrangements	no yes
	- Transaction amount above a specified threshold	no yes
	- Determined payment methods	no yes
	- Specific products	no yes
	- Unlisted underlyings conferring control rights	no yes
	- Exceeding of a certain score (CAA score/internal score of the insurance company)	no yes
	- Other(s)	<i>free text</i>
II.14	In accordance with art 33 (1) and (2) of the CAA RGL, what measures has the firm put in place, as part of its ongoing due diligence, to update the documents, data or information collected on existing customers? Please describe briefly in the narrative section.	
II.15	Do the contracts with agents or agencies provide that the AML/CFT policy applies to agents and agencies in the same manner as to the firm itself?	no yes not applicable
II.16	Does the firm regularly carry out a control of agents or agencies to ensure that the commitments arising from the contract are respected?	no yes not applicable
II.17	Does the firm work with third party introducers (art. 34 of the CAA RGL)?	no yes
	- If so, how many?	<i>total number</i>
	- Has the quality of the third party introducers been systematically documented by the firm?	no yes
	- Has the firm received a written commitment from all introducing third parties regarding the obligations referred to in art. 34 of the CAA RGL?	no yes
II.18	Does the firm work with third parties intervening in the context of an outsourcing relationship (art. 35 of the CAA RGL)?	no yes
	- If so, how many?	<i>total number</i>
	- Is the contract between the parties consistent with the requirements of art. 35 of the CAA RGL?	no yes

- Does the firm regularly carry out a control of third party representatives to ensure that the commitments arising from the contract are respected in accordance with art. 35 (2) of the CAA RGL?

no
partially
yes

**System for monitoring business relationships and operations.**

- II.19 Is the customer's risk level integrated in the contract and transaction management tool?

no
yes

- II.20 Is during the monitoring of the business relationship the customer's level of risk being adapted to each significant change in risk (art. 4 (4) of the CAA RGL).

no
yes

- II.21 Does the management tool allow the customer's overall risk level to adapt and to be monitored?

no
yes

- II.22 Does the management tool detect complex and unusual transactions (art.30 of the CAA RGL)?

no
yes

- II.23 When is the quantitative questionnaire (appendix I a), b), c), c), d) of CL 11/2) completed with respect to the encoding of customer/transaction data in the management tool?

before
at the same time
after

- II.24 Does the contract management tool include blocking alerts requiring the authorisation of the AML/CFT officer?

no
yes

- II.25 What is the computer tool used for database screening?

<i>free text</i>
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- II.26 What are the "roles" defined in the management tool as basis for the list of names subject to screening:

- Policyholder
- Beneficial owner (B.O.)
- Agent ("mandataire") or representative
- Insured
- Beneficiary identified by name
- B.O. of unlisted underlying conferring control rights
- Agent and/or manager of unlisted underlyings conferring control rights
- Assignee of rights
- Other(s)

no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
<i>free text</i>

- II.27 Does the screening tool integrate individuals, entities and groups:

- included on an internal black list of customers refused by the firm
- covered by UN resolutions
- covered by European regulations
- listed on national lists
- included in the OFAC list
- Politically Exposed Persons (PEPs)
- Other(s)

no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
<i>free text</i>

- II.28 Do you include internal lists of high-risk countries and sensitive professions?

no
yes

- II.29 How often are the lists of financial sanctions referred to in Art. 31 of the CAA Regulations updated?

Daily
Monthly
Without delay after publication of a new list
Other frequency

- II.30 What is the frequency of screening programmed by the firm:
- to detect persons, entities and groups subject to financial prohibitions or restrictive measures?

Daily
Monthly
Each time a list is modified in screening tool
Other frequency

- to detect persons, entities and groups considered as PEPs

Daily
Monthly
At the beginning of the relationship only
Other frequency

II.31 Is the analysis of each alert at the screening level documented?

no
yes

II.32 Does the configuration of the screening tool take into account spelling variations in the surnames and first names or designation of persons or entities that do not correspond exactly to those on the European and national asset freeze lists?

no
yes

II.33 Does the insurance company have a procedure for handling homonymias?

no
yes

II.34 Does the AML/CFT officer receive periodic written reports on the transactions/persons detected through the screening tool?

no
yes

II.35 How many searches were carried out during the 2017 financial year in the firm or its staff or agents/agencies?

total number
--------------

II.36 How many suspicious transaction reports were made by the firm during the 2017 financial year?

total number
--------------

**The person(s) responsible for AML/CFT control**

II.37 In which cases is the prior intervention of the AML/CFT officer required?

- Remote entry into a relationship
- Politically Exposed Persons (PEPs)
- Countries with insufficient AML/CFT measures (at-risk countries)
- Activity considered by its nature to be sensitive with regard to ML/TF
- Complex structure/arrangements
- Transaction amount above a specified threshold
- Determined payment methods
- New products/technologies/business practices
- Unlisted underlying conferring control rights
- Exceeding of a certain score (CAA score/internal score of the insurance company)
- Other(s)

no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
no
yes
free text

II.38 Did the AML/CFT officer in 2017 ascertain that the AML/CFT policy and related procedures

- have been properly applied by the firm's employees?
- have been correctly applied by the firm's branches and subsidiaries in Luxembourg and abroad?

no
yes
no
yes
not applicable

II.39 Did the firm have to sanction employees following these controls?

no
yes

II.40 Does the firm keep the analyses carried out and the decisions taken by the AML/CFT officer, in accordance with art. 25 of the CAA RGL?

no
yes

II.41 How often does the AML/CFT officer report  
- to the authorized management

Weekly
Monthly
Quarterly
Other frequency

- to the board of directors

Monthly
Quarterly
Annually
Other frequency

II.42 Has the AML/CFT officer submitted for approval to the firm's board of directors in the last 12 months a summary report on the activities and functioning of AML/CFT in accordance with Art.40 (6) of the CAA RGL?

no
yes

- Date of the last synthesis report

date

### Internal audit

II.43 Does the internal audit prepare an annual summary report on compliance with the AML/CFT policy in accordance with Art. 42 (2) of the CAA RGL?

no  
yes

- Date of the last synthesis report

date

II.44 Have any recommendations been made in the field of AML/CFT?

no  
yes

if so:

- Has the firm taken the necessary steps to implement these recommendations?

no  
partially  
yes

### Recruitment, training and awareness-raising of personnel

II.45 Has the firm implemented procedures for hiring staff in accordance with art. 43 of the CAA RGL?

no  
yes

II.46 Has the firm implemented an AML/CFT training procedure appropriate and prioritized according to the sensitivity of the employees' function in relation to this topic?

no  
yes

if so

- Have the persons considered as "priority" received an AML/CFT training in the last 12 months?

no  
partially  
yes

- Number of persons considered as "priority"

number

- Rate of completion of training by these persons over the last 12 months

percentage rate

II.47 Has the firm implemented a training and awareness program for its personnel that complies with section 44 (2) of the CAA RGL?

no  
partially  
yes

II.48 Does the firm provide AML/CFT training to its agents and agencies?

no  
partially  
yes  
not applicable

II.49 Are AML/CFT training courses provided by an external organization or by the firm itself?

Internal training  
External training  
Both of them

II.50 What is the "format" of these training courses?

Physical  
presence  
eLearning  
Both

II.51 Are the training courses based on or do they include the AML/CFT policy and the firm's procedures?

No  
partially  
yes

II.52 In the event of new AML/CFT obligations, what measures does the firm implement to ensure that all employees are informed and trained within an appropriate time frame? Please describe briefly in the narrative section.

### III. Assessment of the AML/CFT officer

III.1 Does the AML/CFT officer consider that the firm has sufficient qualified human resources to properly assess, manage and mitigate ML/TF risks?

no  
yes

III.2 Does the AML/CFT officer consider that the firm has sufficient and appropriate IT tools / technological means to properly assess, manage and mitigate ML/TF risks?

no  
yes

III.3 According to the assessment of the AML/CFT officer, what is the firm's exposure to ML/TF risk in relation to the following criteria:

- Type of customers

Very low  
Low  
Medium  
High  
Very high

- Country of origin of the funds

Very low  
Low  
Medium  
High  
Very high

- Type of transactions

Very low  
Low  
Medium  
High  
Very high

- Type of products

Very low  
Low  
Medium  
High  
Very high

- Distribution networks

Very low  
Low  
Medium  
High  
Very high

- Internal organization of the firm

Very low  
Low  
Medium  
High  
Very high

III.4 The AML/CFT officer considers the quality of the content of the confidential questionnaires (KYC) and the supporting documents collected:

Very low  
Low  
Medium  
Good  
Very Good

III.5 Is the AML/CFT officer confident that confidential questionnaires (KYC) are critically analyzed by the operators?

no  
yes

III.6 Is the potential delegation of certain AML/CFT functions to other employees of the firm carried out in accordance with Art. 39 of the CAA RGL, in particular with regard to professional experience, knowledge in the field of AML/CFT, conditions of access to information and availability in order to guarantee an effective and autonomous exercise of their roles?

no  
partially  
yes  
not applicable

III.7 What is the assessment of the AML/CFT officer of the AML/CFT training and awareness system in place within the firm?

Very unsatisfactory  
Unsatisfactory  
Satisfactory  
Good  
Very Good

III.8 In the opinion of the AML/CFT officer, are all the measures put in place sufficient to mitigate the ML/TF risk?

no  
partially  
yes

III.9 Is there an AML/CFT action plan at firm level whose implementation is to allow to mitigate ML/TF risks?

no  
yes