

APPENDIX II

(Paragraph 1.8.6 of Chapter 1)

Role of Money Laundering Reporting Officers

1.0 Responsibilities of money laundering reporting officers

1.1 The money laundering reporting officer should be thoroughly familiar with the Prevention of Money Laundering Act (Cap. 373) and any provisions amending the Act, the Regulations made thereunder, as well as the Implementing Procedures and any guidance notes issued by the Financial Intelligence Analysis Unit. The role of the money laundering reporting officer is an onerous one and should only be accepted by individuals who fully understand the extent of responsibilities attached to the role.

2.0 The responsibilities of the money laundering reporting officer

2.1 The money laundering reporting officer should ensure that all staff are familiar with the legislation referred to in paragraph 1.1 above and that regular training is being given in this regard.

2.2 Note is to be taken of training that has been carried out and records retained of the persons trained and the date of such training.

2.3 Care should be taken when new staff is recruited to ensure that they receive the necessary training.

2.4 The money laundering reporting officer should ensure that proper Customer Due Diligence procedures are in place and that the procedures set out in the Implementing Procedures relating to the identification and verification of natural or legal persons are complied with.

2.5 Any suspicious transactions are to be reported directly by the money laundering reporting officer to the Financial Intelligence Analysis Unit, even if the transaction is not carried out.

2.6 The money laundering reporting officer is to set up an internal reporting procedure to ensure that staff can report any such suspicious transactions without hindrance and that clear reporting lines are in place. Senior management is to be made aware of such reports and should not be in a position to suppress them.

2.7 The money laundering reporting officer must be aware that the competent authority requires very high standards of conduct and compliance on money laundering matters from all enrolled persons. Evidence of bad faith, lack of care and concern for the interests of policyholders, potential policyholders and the general public, deceptive acts and behaviour, and incompetence, shall be all considered to be serious matters.

3.0 Consultation with the competent authority

3.1 The competent authority considers it important to ensure that the money laundering reporting officer understands the responsibilities placed upon such role and that it is always prepared to discuss any doubts, worries, suspicions or queries that may arise from time to time in respect of the role of a money laundering reporting officer.