

CENTRAL BANK OF TRINIDAD & TOBAGO

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January 27, 2016

**CIRCULAR LETTER TO
ALL INSURANCE BROKERS AND AGENTS
REGISTERED UNDER THE INSURANCE ACT CHAPTER 84:01
INSURANCE COMPANIES, ATTIC**

REF: CB-OIFI-37/2016

**ANTI-MONEY LAUNDERING AND COMBATING OF THE FINANCING OF TERRORISM
EXTERNAL AUDITORS' REPORTS**

Pursuant to the amendment made to Section 2 of the Proceeds of Crime Act, Chapter 11:27 (POCA) by Act No. 15 of 2014, the definition of financial institutions has been expanded to include agents and brokers registered under the Insurance Act. In this regard, the Central Bank of Trinidad and Tobago (the Central Bank), as the Supervisory Authority for *inter alia* registrants under the Insurance Act, Chapter 84:01, wishes to remind all insurance brokers and agents of their statutory obligation to comply with relevant anti-money laundering and combatting of the financing of terrorism (AML/CFT) legislation and guidelines.

Further, regulation 10(1) of the Financial Obligations Regulations, 2010 (FOR) requires that the compliance programme of a financial institution be reviewed by the institution's external auditor and regulation 10(2)(a) states that in reviewing the compliance programme "*the external auditor shall evaluate compliance with relevant legislation and guidelines and shall submit reports and recommendations annually or with such frequency as may be specified by the relevant Supervisory Authority, to the Board of Directors of the financial institution ... and to the relevant Supervisory Authority.*"

Please refer to our Circular letter dated May 3, 2013, which gives the customer due diligence and external audit requirements under the AML/CFT legislation. A copy is attached for ease of reference. Please also refer to the Guidelines on AML/CFT which may be accessed via the Central Bank's website at <http://www.central-bank.org.tt/content/amlcft-guidelines>.

Accordingly, agents and brokers are reminded to ensure that their External Auditors' Reports, required under regulation 10(2)(a) of the FOR are completed and submitted to the Central Bank annually and **no later than four (4) months from the end of the entity's financial year** in accordance with Section 17.1 of the Central Bank Guidelines on AML/CFT.

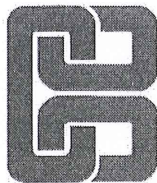
Please be guided accordingly.

Yours sincerely

Michelle Francis-Pantor
Deputy Inspector of Financial Institutions
Policy and Market Conduct

FINANCIAL INSTITUTIONS SUPERVISION DEPARTMENT

Attch.



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May 3, 2013

CIRCULAR LETTER TO ALL BROKERS

REF: CB-OIFI-1236/2013

Customer Due Diligence and External Audit Requirements under the AML/CFT Legislation

The Central Bank of Trinidad and Tobago (the Central Bank) as Supervisory Authority for *inter alia* registrants under the Insurance Act, Chapter 84:01 wishes to remind all brokers of their statutory obligations under the relevant anti- money laundering (AML) and the combating of terrorist financing (CTF) legislation, regulations and guidelines.

We wish to emphasize the importance of establishing and implementing a risk based approach to Know Your Customer (KYC) and Customer Due Diligence (CDD) as required under Part III and IV of the Financial Obligations Regulations, 2010 (the FOR).

Further, Regulation 25 (3) of the FOR requires that "*where a transaction involves an insurer and an intermediary, each party shall consider its own position separately to ensure that its own obligations regarding identification and records are duly discharged*" (emphasis added).

Accordingly, brokers are required to have CDD policies and procedures for all categories of customers as detailed in the FOR and provide insurers with copies of these documents for their files.

Additionally, Regulation 10 of the FOR requires *inter alia* that an external audit review be conducted to evaluate the effective implementation of compliance policies. As indicated in the Central Bank's Guideline on AML/CFT and circular letter dated September 7, 2011, the external audit report must be submitted within four (4) months of the financial year end.

Further, brokers are required to submit their compliance programmes to the Financial Intelligence Unit (FIU) for approval. The deadline date for the submission of compliance programmes was May, 2011. If you have not yet submitted your compliance programmes, you are urged to do so immediately.

Please be guided accordingly.

Yours sincerely

Carl Hiralal
INSPECTOR OF FINANCIAL INSTITUTIONS