

Circular letter 18/4 of the Commissariat aux Assurances on the adoption of the joint guidelines issued by the three European Supervisory Authorities (EBA/ESMA/EIOPA) on money laundering and terrorist financing risk factors

This Circular Letter is addressed to all undertakings and persons under supervision of the CAA ("the professionals"), who are subject to the obligations in the combat against money laundering and terrorist financing ("AML/CFT").

The purpose of this circular letter is to draw the attention of the professionals to the adoption by the three European supervisory authorities of the joint guidelines on simplified and enhanced customer due diligence measures and the factors to be taken into account when assessing the risks of money laundering and terrorist financing ("ML/TF") associated with individual business relationships and occasional transactions ("the Guidelines") under Articles 17 and 18, paragraph 4, of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC¹.

The Guidelines shall be complied with by **26 June 2018**.

The purpose of the Guidelines is to provide guidance on the different factors that professionals should consider when assessing ML/TF risks. In addition, the Guidelines specify how professionals can adjust AML/CFT due diligence measures according to the level of risk associated with a business relationship or occasional transaction.

The first part of the Guidelines (Title II) provides general information for ML/TF risk assessment and management. This section details the relevant risk factors, which allow professionals to obtain an overview of the level of ML/TF risk associated with a business relationship or occasional transaction and provides details on the extent of the resulting due diligence measures based on their risk assessment.

¹ <http://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32015L0849rom=FR>

The second part (Title III) provides sector-specific guidance for certain professionals, in particular life insurance undertakings in Chapter 7. The chapter in question may also be useful for brokerage firms. It is important to note that Title III should be read in conjunction with Title II.

It should also be highlighted that neither the risk factors nor the due diligence measures described in the Guidelines are to be considered as exhaustive. Professionals must also regularly review their ML/TF risk assessments as part of the ongoing monitoring and control of their business relationships.

On the basis of the Guidelines, Professionals should be able to make informed decisions based on ML/TF risks in order to effectively manage their business relationships and occasional transactions, while taking into account the expectations of the European Supervisory Authorities as to how to fulfil their AML/CFT obligations.

Finally, it should be noted that ML/TF risk factors have already been taken into account, in particular with regard to life insurance in the context of the harmonised ML/TF risk assessment forms, which were introduced by Circular Letter 11/2. The revision of these forms, which is currently in progress, will take into account guidelines recently issued by the European Supervisory Authorities.

Therefore, the Commissariat aux Assurances notified EIOPA of its compliance with the Guidelines.

The Guidelines are available in the various official EU languages at the following address:

<https://esas-joint-committee.europa.eu/Pages/Guidelines/Joint-Guidelines-on-Risk-Factors.aspx>

For the Directorate,

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