

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

of the brokerage firm

Name of the firm

registration number

Deadline for submission: xx/xx/2019

Does the firm distribute life insurance products and provide other services related to investments? *

no
yes

Does the firm perform operations in the insurance classes "credit insurance" or "surety"? *

no
yes

* if the answers are "no" to the two questions above, please provide only the contact details of the person responsible (I. 1 below) and specify in the narrative part the procedures put in place within the firm to detect persons covered by United Nations Security Council resolutions and acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing (please refer to question II.19.4.2 below).

Legal and regulatory references:

- **AML/CFT Law:** Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended
- **AML/CFT GDR:** Grand-Ducal Regulation of 1 February 2010 providing certain provisions of the AML/CFT Law, as amended
- **Law of 27 October 2010:** Law of 27 October 2010 relating to the implementation of United Nations Security Council resolutions as well as acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the combat against terrorist financing
- **RGD 29 October 2010:** Grand-ducal regulation of 29 October 2010 enforcing the law of 27 October 2010, as amended, as well as the ministerial regulations amending Annex I C of this grand-ducal regulation
- **R.CAA:** Commissariat aux Assurances Regulation n°13/01 of 23 December 2013 on the fight against money laundering and terrorist financing (in the process of being amended)

I. Governance at 1 January 2019

		Main references
I.1	Name of the AML/CFT manager	Art 7(2) AML/CFT GDR
I.1.1	- Email address	
I.1.2	- Telephone number	
I.2	Does the AML/CFT manager have other responsibilities (and tasks) within the firm?	no
I.2.1	- If so, which ones?	yes free text

II. General internal organization

Money laundering and terrorist financing (ML/TF) risk assessment

II.1	Has the firm identified and assessed in writing the ML/TF risks to which it is exposed, taking into account risk factors including those related to its customers, countries or geographical areas, products, services, transactions or distribution channels?	no yes	Art. 2-2 (1) and (2) AML/CFT Law
II.2	If yes: what is the firms' exposure to ML/TF risks based on this assessment against the following criteria?		
II.2.1	- type of customer	very low low medium high high very important	
II.2.2.2	- country of origin of the funds	very low low medium high high very important	
II.2.3	- type of transactions/operations	very low low medium high high very important	
II.2.4	- type of products	very low low medium high high very important	
II.2.5	- distribution channels (e.g. direct sales, online sales/phone sales) and types of intermediaries, if any (nature of intermediaries and geographical location)	very low low medium high high very important	
II.3	Does the company identify and assess the ML/TF risks that may result from the development of new products and business practices (including new distribution mechanisms) or the use of new technologies before the launch or use of these products, practices and technologies?	no yes not applicable	Art. 2-2 (3) AML/CFT Law
II.4	Is any entry into contact documented by a questionnaire adapted to the client's profile? (even if it is not followed by an entry into a business relationship)?	no yes	Art. 10 (1) R. CAA.
II.5	Does the firm have an acceptance committee?	no yes	Art. 8 R. CAA
II.5.1	- If not, please describe in the narrative part your customer acceptance policy		
II.5.2	- If so, does it apply to all new customers/contracts? If not, please explain in the narrative part	no yes	
II.6	In which cases, does the firm take into account the increased risk of ML/TF requiring the implementation of enhanced due diligence measures?	no yes	Art 3-2 AML/CFT Law, Annex IV AML/CFT, Art 9. R. CAA
II.6.1	- politically exposed persons		
II.6.2	- customers, agents, beneficial owners residing in high-risk geographical areas (e.g. countries listed by the FATF as not having effective AML/CFT systems, countries identified by credible sources as having significant levels of corruption or other criminal activity, countries subject to sanctions, embargoes or other similar measures imposed by the European Union or by the United Nations, countries that finance or support terrorist activities or on whose territory designated terrorist organisations operate)	no yes not applicable	

II.6.3	- complex structure/arrangement (e.g. bearer shares, nominee shareholders, companies whose ownership structure appears unusual or overly complex in view of the nature of their activities)	no yes
II.6.4	- activity considered by its nature to be sensitive with regard to ML/TF (e.g. cash intensive activities, sectors sensitive to corruption,...)	not applicable
II.6.5	- remote entry into a relationship that is not accompanied by a guarantee such as an electronic signature	no yes
II.6.6	specific products (e.g. products likely to promote anonymity, possible early redemption, possible single premium,...)	no yes not applicable
II.6.7	transaction amount above a specified threshold	no yes not applicable
II.6.8	determined payment methods (e.g. cash, cheques,...)	no yes not applicable
II.6.9	payments received from unknown or unrelated third parties	no yes not applicable no yes not applicable

AML/CFT Policy

II.7	Does the firm have an AML/CFT policy?	no yes	Art 4(1) AML/CFT Law
II.8	When did you first have a AML/CFT policy?	<i>date</i>	
II.9	When was the AML/CFT policy last updated?	<i>date</i>	Art 36 (4) R.CAA
II.10	Does the firm's AML/CFT policy include the following elements?		AML/CFT Law, AML/CFT GDR Art. 36 R CAA Art 7 R. CAA
II.10.1	- the customer acceptance policy	no yes	
II.10.2	- the measures to be taken in terms of customer due diligence (identification and verification of the identity of policyholders, agents ("mandataires"), insured, beneficial owners and beneficiaries, as well as obtaining information and documents on the purpose of the transaction and the economic and geographical origin of the funds)	no yes	Art 3, 3-1 and 3-2 AML/CFT Law, Art 1 AML/CFT GDR, Art 14 to 24 R CAA
II.10.3	- the procedures to be followed for updating documents, data or information collected on existing customers	no yes	Art 3, 3-1 and 3-2 AML/CFT Law - Art 33 R CAA
II.10.4	- the procedures to be followed in order to monitor the evolution of the business relationship as well as the operations carried out by customers	no yes	Art 3, 3-1 and 3-2 AML/CFT Law
II.10.5	- the procedures to be followed for data storage	no yes	Art 3 (6) AML/CFT Law, Art 1 (5) AML/CFT Regulations, Art 25 R CAA
II.10.6	- the procedures to be followed in the event of recourse to a third party introducer	no yes not applicable	Art 3-3 AML/CFT Law, Art 34 R CAA
II.10.7	- the procedures to be followed in the event of recourse to third parties by way of an outsourcing contract	no yes not applicable	Art 3-3 (5) AML/CFT Law, Art 35 R CAA
II.10.8	- hiring procedures, as well as staff training and awareness program	no yes not applicable	Art 4(2) AML/CFT Law
II.10.9	- the procedures to be followed in the event of suspicion of ML/TF	no yes	Art 3(4) at 4, Art 5 AML/CFT Law
II.10.10	- the procedures to be followed in terms of cooperation with the authorities	no yes	Art 4 (3) AML/CFT Law, Art 5 AML/CFT Law, Art 8 AML/CFT GDR, Law of 27 October 2010, Art 45 to 46 R.CAA
II.10.11	- the exact definition of the respective responsibilities of the various functions of staff in the field of AML/CFT matters	no yes not applicable	Art 4(1) AML/CFT Law
II.11	Does the firm have a formal AML/CFT policy coordinated with the other entities of its group, with its branches and subsidiaries in Luxembourg and abroad?	no yes not applicable	Art 4-1 AML/CFT Law, Art 4 AML/CFT GDR
II.12	Does the firm classify its customers according to different levels of ML/TF risk by taking into account the lower and higher variables and risk factors listed in the AML/CFT law?	no yes	Art. 3, 3-1 and 3-2 AML/CFT Law, Annexe II, III and IV AML/CFT
II.13	Do all existing contracts comply with the current procedure?	yes for all contracts yes in case of movement for the contract no	Art 3(5) AML/CFT Law
II.14	Does the firm work with third party introducers? If so, please provide details in the narrative part.	no yes	Art 3-3 AML/CFT Law, Art 6 AML/CFT GDR
II.15	Has the firm outsourced some of its customer due diligence obligations to a third party (other than an insurance company) through a contract?	no yes	Art 3-3 (5) AML/CFT Law
II.16	Does the firm have appropriate procedures in place to allow staff or persons in a comparable situation to report AML/CFT violations of professional obligations internally in a specific, independent and anonymous manner?	no yes not applicable	Art 4(4) AML/CFT Law Art 37 R.CAA
System for monitoring business relationships and operations			
II.17	Does the firm systematically conclude a brokerage agreement with the insurance companies with which it places its business?	no yes	
II.17.1	- If yes: does the firm ensure that these agreements include specific provisions relating to customer due diligence obligations?	no yes	
II.18	Does the firm have a contract management tool?	no yes	Art 1(3) AML/CFT GDR
II.18.1	- If yes: please briefly explain in the narrative part how it works		
II.18.2	- If not: please explain in the narrative part how the firm performs a careful examination of transactions carried out throughout the whole lifetime of the business relationship		
II.19	Does the firm have any computer tool(s) for database screening?	no yes	Art 3-2 AML/CFT Law, Art 37 R CAA
II.19.1	- If not: please describe in the narrative report which steps are taken by the firm to address them in the		
II.19.2	- If yes: what is the name of this tool(s)?	<i>free text</i>	
II.19.3	- are the following persons screened?		
II.19.3.1	• policyholder	no yes	
II.19.3.2	• beneficial owner	no yes	
II.19.3.3	• agent ("mandataire") or representative	no yes	

II.19.3.4	• insured	no yes
II.19.3.5	• beneficiary identified or designated by name	no yes
II.19.3.6	• assignee of rights (new policyholder or beneficiary)	no yes
II.19.3.7	• other	free text
II.19.4	- allows to detect persons, entities and groups:	no yes
II.19.4.1	• who are politically exposed persons	no yes
II.19.4.2	• covered by United Nations Security Council resolutions and acts adopted by the European Union concerning prohibitions and restrictive measures in financial matters in respect of certain persons, entities and groups in the context of the fight against terrorist financing	no yes
II.19.4.3	• included on an internal black list of customers refused by the firm or another	no yes
group entity II.19.5	- what is the frequency of the screening programmed by the firm?	daily monthly other frequency
II.19.6	- Is the analysis of each alert resulting from the screening documented?	no yes

Art 3-2 (4) AML/CFT Law

Law 27 October 2010, RGD 29 October 2010, Art 31 R. CAA

The AML/CFT Manager

II.20	Please describe in the narrative part the cases in which the prior intervention of the AML/CFT manager is required		Art. 4 (1) AML/CFT Law, Art. 7 AML/CFT Regulations, Art. 38 to 41 R. CAA
II.21	Does the AML/CFT manager ensure that the AML/CFT policy is correctly applied by the firm's staff?	no yes not applicable	
II.21.1	- If yes: explain how internal control works in the narrative part		

II.22	Does the firm keep record of the analyses and decisions made by the AML/CFT manager?	no yes not applicable	
II.23	Has the AML/CFT manager submitted a summary report on the activities and functioning of AML/CFT to the firm's Board of Directors for approval over the last 12 months?	no yes not applicable	

Art.4 (2) AML/CFT Law, Art 43 and 44 CAA

Staff training and awareness

II.24	Does the firm have special continuous education programs in the field of AML/CFT?	no yes	
II.25	Do the training courses integrate the firm's AML/CFT policy?	no yes not applicable	
II.26	Have all the concerned members of staff (members of the management, AML/CFT manager, brokers, subbrokers, managers, sales representatives,...) taken training courses during the past two years?	no yes not applicable	

Art 4(1) AML/CFT Law, Art 7(2) AML/CFT Regulations, Art.42 CAA

Internal audit control

II.27	Is your firm subject to an internal audit?	no yes not applicable	
<i>If yes:</i>			
II.28	Does the internal audit prepare an annual summary report on compliance with the AML/CFT policy?	no yes	
II.29	When was the last synthesis report issued?	date	
II.30	Does the firm take into account the recommendations made by the internal audit?	no yes	

III. Assessment of the AML/CFT manager

III.1	Does the AML/CFT manager 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 manager consider that the firm has the appropriate IT tools at its disposal to properly assess, manage and mitigate ML/TF risks?	no yes	
III.3	According to the assessment of the AML/CFT manager, are the adopted measures sufficient to mitigate ML/TF risks?	no yes partially	

