

Gulf Insurance  
Group (Gulf) B.S.C  
Closed (GIG)  
UAE BRANCH



POLICY NAME	ANTI-MONEY LAUNDERING (AML) AND COUNTER TERRORIST FINANCING (CTF)		
DATE OF LAST REVISION	September 2022	VERSION NO.	AML.V3.0
BRANCH APPROVAL	Franck Heimbürger, General Manager, UAE	SIGNATURE	

**(Approved by Gulf Insurance Group (Gulf) Audit Committee in their meeting held on 6<sup>th</sup> September 2022)**

POLICY OWNER	AMAL AL BULOOSHI, MLRO
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## COMMITMENT

Gulf Insurance Group (Gulf) B.S.C Closed (hereby referred to as "GIG Gulf") is committed to fight against the threats of Money Laundering (ML) and Terrorist Financing (TF) in the territories of its operation. GIG Gulf exercises utmost vigilance wherever its products and services are involved whether they are distributed through own distribution channels or through intermediaries. GIG Gulf is committed to adhere to the local Anti-money Laundering (AML) & Counter Terrorist Financing (CTF) regulations and adopt best global practices in fighting ML/TF risks.

## LEGAL ENVIRONMENT

UAE Centre Bank has adopted the UAE Federal Law for Anti-Money Laundering and Counter Terrorist Financing.

### UNITED ARAB EMIRATES

- UAE Federal Law No (20) of 2018 on Anti-money laundering and Counter Terrorist Financing  
<https://www.mof.gov.ae/en/lawsandpolitics/govlaws/pages/moneylaundering.aspx>
- UAE AML Cabinet Decision No.10 of 2019 Concerning the Implementing Regulation of Decree Law No.20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations  
<https://www.mof.gov.ae/en/lawsAndPolitics/CabinetResolutions/Pages/201910.aspx>

### Guidance Notes issued by Central Bank UAE

- Anti-Money Laundering and Combating the Financing of Terrorism and illegal Organizations.
- Guidance for Licensed Financial Institutions on Transaction Monitoring and Sanctions Screening.
- Guidance for licensed financial institutions on suspicious transaction reporting
- Guidance for licensed financial institutions on the implementation of targeted financial sanctions.
- Guidance on Targeted Financial Sanctions For financial institutions and designated non-financial business and professions (DNFBPs)
- Guideline on Targeted Financial Sanctions For the Insurance Sector.
- Guidance for Licensed Financial Institutions on the Risks relating to Politically Exposed Persons  
<https://www.centralbank.ae/en/cbuae-amlcft>

### BAHRAIN

- Amiri decree No 4 of 2001 with respect to preventing and prohibition of the Laundering of Money  
<https://cbben.thomsonreuters.com/rulebook/appendix-aml-i-amiri-decree-law-no-4-2001>
- Central Bank of Bahrain rulebook, Volume 3 "Insurance", Financial Crime Module  
<https://cbben.thomsonreuters.com/rulebook/fc-financial-crime-8>

### 3) REPORTING OF SUSPICIOUS TRANSACTIONS & STAFF AWARENESS

#### A. SUSPICIOUS TRANSACTIONS – TYPICAL CASES

GIG Gulf encourages all staff members to report suspicious transactions. All suspicious transaction cases as well as any attempted suspicious transaction should be reported directly to Branch MLRO. Examples of money laundering could include:

##### Sales / underwriting

1. Any large payment by cash (cash payments in excess of AED10,000 / are considered material and may be reported to the MLRO for verification).
2. Payment by way of third-party cheque or money transfer where there is a variation between the account holder, the signatory, and the insured.
3. A proposer who is not resident and where the purchase of an insurance policy in the GCC appears abnormal or suspicious, or any proposer with no discernible reason for purchasing insurance
4. Any transaction in which the insured is unknown or is a front covering several unconnected individuals.
5. Any transaction where the customer has no clear insurable interest.
6. A transaction not in keeping with normal practice in the market to which they relate, e.g., with reference to size or class of business.
7. Refusal to provide the information and identification documents, could also constitute suspicious transaction and should be reported.

##### Endorsements / cancellations:

1. Assignment of policies to apparently unrelated third parties
2. Early cancellation of policies with return of premium, with no discernible purpose or in circumstances which appear unusual.

##### Claims:

1. Abnormal settlement instructions, including large cash payment, or payment to apparently unconnected parties, or to countries in which the insured is not known to operate.
2. large claims in the first year, need special attention as this could indicate layering whereby laundered funds are given the legitimacy of insurance funds.

#### B. CASH PAYMENTS ABOVE AED10,000/(AED TEN THOUSAND)

Cash payments above AED10,000/ are considered material and should be reported to Branch MLRO for verification. MLRO will perform due diligence and advise the business/finance team accordingly

#### C. CREDIT CARD PAYMENTS ABOVE AED100,000/ (AED ONE HUNDRED THOUSAND)

The threshold for payments from customers through Credit Card is AED100,000/  
However, Branch MLRO can increase the threshold from time to time based on business requirements in consultation with Regional MLRO.

MLRO will perform AML risk assessment prior to the approval of increase in threshold

#### D. BRANCH MONEY LAUNDERING REPORTING OFFICER (MLRO)

In case of any doubt on the nature of a transaction, the staff should contact their local Branch MLRO.

<b>Branch</b>	MLRO
<b>UAE</b>	Amal Al Bulooshi (email: <a href="mailto:amal.albulooshi@gig-gulf.com">amal.albulooshi@gig-gulf.com</a> ; <a href="mailto:compliance.uae@gig-gulf.com">compliance.uae@gig-gulf.com</a> )

## INTERNAL

Natural persons	Legal entities
<ul style="list-style-type: none"><li>• Contact detail (tel., email)</li><li>• Occupation</li><li>• Employer's name and address</li><li>• Source of funds</li><li>• Signature</li><li>• A certification by the client that he is acting on his own behalf.</li></ul>	<ul style="list-style-type: none"><li>• Contact detail (tel., email)</li><li>• Type of business activity</li><li>• Source of funds</li><li>• Anticipated premium volume</li><li>• Name of the auditor</li><li>• A certification by the signatory that he is duly authorized by the company</li><li>• Details of shareholders (holding or controlling more than 20% of shares)</li><li>• Details of Directors</li><li>• Details of Senior Management</li></ul>

### C. ENHANCED CUSTOMER DUE DILIGENCE FOR POLITICALLY EXPOSED PERSONS (PEP)

The PEPs include heads of States or Governments, Senior politicians, senior government officials, judicial officials, military officials, senior executive managers of state-owned corporations, senior officials of political parties; and persons who are, or have previously been, entrusted with the management of an international organization or any prominent function within such an organization.

GIG Gulf relies on World-check listing and data from customers to identify PEPs.

Maintaining a business relationship with a PEP or PEP family member implies enhanced due diligence measures that should be summarized in a report signed by the General Manager, copied to the MLRO and filed in the customer file:

- establishing the source of wealth / source of funds,
- stating the expected customer activity (what policies, for what amounts),
- detailing the existence of any foundation, trust, company or any complex financial structure used in dealing with GIG Gulf.

Note that this report can be researched without necessarily questioning the client (PEP is not always accessible!).

The senior management (general manager) should record his approval for taking on a client who is a PEP after due consideration of the potential risk for GIG Gulf.

The Branch MLRO will maintain the PEP list for continuous monitoring

### D. CUSTOMER RISK ASSESSMENT

GIG Gulf has AML Risk Assessment process in place. GIG Gulf has adopted Risk Based Approach (RBA) in identifying ML/TF risk in line with regulatory requirements. The risk assessment procedure is shown in AML Risk Framework document

### E. ENHANCED CUSTOMER DUE DILIGENCE FOR NON-COOPERATIVE COUNTRIES & HIGH RISK COUNTRIES

The same measures as for PEPs should be applied to any resident of a Non-Cooperative Country as defined by the Financial Action Task Force (inter-governmental body of which the GCC is a member).

## INTERNAL

GIG Gulf should screen its client's database for persons subject to sanctions especially those connected to terrorist organisations, as identified by the United Nations and regularly updated under <https://www.un.org/securitycouncil/sanctions/information>  
Branch MLRO have access to World-check login which can be used to review new clients against the sanctioned lists.

### G. KNOW-YOUR-INTERMEDIARY

As per the law, the brokers have the same responsibility as the insurance companies. They must notably obtain sufficient client details, establish the source of their funds, and report suspicious transactions.

It is the responsibility of the staff dealing with brokers and agents to ensure that they are licensed by the insurance regulators and documents evidencing this must be obtained and maintained. The documents required for corporate intermediary due diligence are same as for the corporate customer due diligence.

The brokerage agreement should clearly state the intermediary's responsibility to implement AML procedures. GIG Gulf may rely on the intermediary's customer due diligence (KYC) process, however, the ultimate responsibility for customer due diligence remains with GIG Gulf.

### H. KNOW-YOUR-AGENTS AND COUNTER PARTIES

It is the responsibility of the insurance company to ensure that agents are properly informed about the AML regulation, policies & procedures. GIG Gulf should conduct the KYC of the customer sourced through agents.

Background check of counterparties to be done especially if the domicile of the counterparty is in a sanctioned country. The screening is done to ascertain whether the counter party is or has been involved in any financial crime. Finance team should refer to Regional Office Compliance team before effecting any payment to counterparties located in sanctioned countries.

### I. KNOW YOUR EMPLOYEE

GIG Gulf performs screening (through World Check) of the potential candidates prior to their recruitment. This ensures that candidates having criminal background are not employed by the company

## 5) ACCOUNTABILITY & REPORTING

### A. ACCOUNTABILITY

The Branch MLRO is responsible for:

- collecting STR and informing the Financial Intelligence Unit (FIU) whenever appropriate
- drafting and updating the branch AML policy
- implementing AML Program for UAE operations
- provide AML/CTF training to the relevant staff
- monitoring the progress in implementing the relevant AML/CTF procedures across the UAE Operations
- maintaining archives of all STR, annual reports, training programs for a period of 5 years minimum
- Preparing AML reports in accordance with UAE AML Law and submitting copy of this report to Insurance Authority

### B. RECORD RETENTION

The records related to customer identity, STRs, AML training are retained as per UAE regulations.

## FORM FOR REPORTING INTERNAL SUSPICIOUS TRANSACTIONS

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Gulf Insurance Group (Gulf) B.S.C Closed



Branch

In Respect of:

 Individual Company / Business

Date of transaction/attempted transaction:

1. Full Name of Client	
2. Nationality	
3. CR No. / ID No. / Passport No.	
4. Full Permanent address	
5. Date of Birth / Date of Incorporation	
6. Occupation / Business activity	
7. Contact Person & Designation (for companies)	
8. Telephone number;	
9. Fax number;	
10. E-mail address	
11. Website (if available)	
12. Source of Income	

Documents Collected	
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**Transaction Details**

<b>Reason for Suspicion/Reporting</b> (attach additional sheets if required and note number of pages attached)

<b>Name and Signature of Employee reporting</b>	<b>Date</b>
<b>Comments by Branch MLRO and signature</b>	<b>Date</b>