

Global Aspects of AML Regulations

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Global Aspects of AML Regulations

- Many U.S. Insurance Companies are Global
- Operate in Numerous Countries
- Subject to Many Jurisdictions with AML Laws
- Have Adopted AML Procedures Prior to U.S. Requirements

Global Aspects of AML Regulations

- Concern of Money Laundering is Not Limited to U.S. Transactions
- Since the 1980's Countries have Organized to Prevent Money Laundering

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- The Financial Action Task Force on Money Laundering (FATF) was established by the G-7 Summit that was held in Paris

FATF Members

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Argentina

Australia

Austria

Belgium

Brazil

Canada

Denmark

European Comm.

Finland

France

Germany

Greece

Gulf Council

Hong Kong, China

Iceland

Ireland

Italy

Japan

Luxembourg

Mexico

Netherlands

New Zealand

Norway

Portugal

Russia

Singapore

South Africa

Spain

Sweden

Switzerland

Turkey

United Kingdom

United States

There are FATF Style Regional Bodies

- Asia/Pacific Group on Money Laundering (APG)
- Caribbean Financial Action Task Force (CFATF)
- Council of Europe Select Committee of Experts on Evaluation of AML
- Eurasian Group (EAG)
- Eastern and Southern Africa AML Group (ESAAMLG)
- FATF on Money Laundering in South America (GAFISUD)
- Middle East and North Africa FATF (MENAFATF)

FATF List of Forty Recommendations to Members:

- Criminal Offence of Money Laundering;
- Provisional Measures and Confiscation;
- Customer Due Diligence and Record Keeping;
- Reporting of Suspicious Transactions;
- Regulation and Supervision.

FATF Measures against Countries that do not or insufficiently comply:

- Non-Cooperative Countries and Territories Initiative (NCCT) List
- Current NCCT list As of 23 June 2006
- Myanmar
- Nigeria no longer considered non-cooperative

Bermuda Requirements

- Proceeds of Crime Act 1997
- Proceeds of Crime (Money Laundering) Regulations 1998

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Regulations

- International Association of Insurance Supervisors (IAIS)
- Approximately 130 Countries
- Guidance Paper on Anti-Money Laundering and Combating the Financing of Terrorism

Examples of “Red Flags”

THESE ARE TYPICAL IN MOST JURISDICTIONS

- Purchase of Product Inconsistent with Customer’s Needs
- Unusual Payment Methods
- Early Termination of a Product, Especially at a Cost to Customer
- Payment Directed to an Unrelated Third Party
- Transfer of a Benefit to an Unrelated third Party
- Customer’s Focus on Termination Features of Product
- Customer Who is Reluctant to Provide Identification Information
- Customer Who Borrows Maximum Amount Soon after Purchase