



REGISTERED LETTER

INSPECTION DIRECTORATE
ANTI-MONEY LAUNDERING SECTOR

Ref. to note n. of To the insurance undertakings whose head office is located in a EU member State or a EEA country, pursuing business in Italy in "Life" classes under the freedom to provide services by means of a registered letter sent to their respective addresses

Classification III. 2 5

Encl. []

Subject: Assessment of the risks of money laundering (ML) and terrorist financing (TF). Request for information on the insurance business pursued in Italy in the Life classes under the freedom to provide services.

The recommendations of the Financial Action Task Force (FATF) require the public authorities and the private sector to identify and assess the risks of money laundering (ML) and terrorist financing (TF) to which they are exposed, for the purpose of adopting adequate risk-mitigation measures.

The anti-money laundering (AML) directives issued by the European Union¹ expressly require obliged entities to put in place objective and verified procedures for the risk assessment and that the sectoral supervisory authorities should establish criteria and methodologies in this field.

When implementing the fourth AML directive, the European Supervisory Authorities (ESAs: ESMA, EBA, EIOPA) have submitted for public consultation the guidelines on simplified and enhanced customer due diligence and on the factors that credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with business relationships and occasional transactions². Specifically, chapter 7 provides guidelines to life insurance undertakings.

As is well known, in 2014 Italian public authorities involved in combating money laundering and terrorist financing carried out the first National Risk Assessment (NRA) of the risks existing in our country, under the aegis of the Italian Financial Security Committee. Following this assessment:

- the threads inherent to the country-wide system and the way how they can affect different sectors (either financial or not) were identified;
- the strategies to be implemented by the Authorities to mitigate the vulnerabilities of AML/CT safeguards were set.

Insurance undertakings whose head office is located in a EU member State or a EEA country are required to provide IVASS with information on the insurance business pursued in Italy in "Life" classes under the freedom to provide services, in order to let IVASS assess the risks of money laundering and terrorist financing in the Italian insurance sector.

¹ Reference is made to the third AML directive (2005/60/EC), implemented by legislative decree No. 231 of 21 November 2007 (in particular art. 20), and to the fourth AML directive (EU) 2015/849 (in particular art. 15) implemented by legislative decree No. 90 of 25 May 2017 (published in the Ordinary Supplement No. 28 to the Official Gazette of the Italian Republic, general series No. 140 of 19 June 2017).

² See ESMA EBA EIOPA, *The Risk Factors Guidelines (JC 2017 037)*, 26 June 2017, available at the following address:

<https://esas-joint-committee.europa.eu/Publications/Guidelines/Final%20Guidelines%20on%20Risk%20Factors%20%28JC%202017%2037%29.pdf>.



By 28 July 2017, undertakings shall transmit, as an attachment to a specific certified electronic mail (PEC), to the address ispettorato@pec.ivass.it:

- a spreadsheet filled up only with information under section V (“Intermediaries”) described in the annex;
- a cover letter (and any other relevant communication) signed by a person specifically authorized to represent the undertaking.

Undertakings operating in Italy in the Life classes also under the freedom of establishment may send the requested documentation also through the certified electronic mail address of the Italian branch, specifying that such documentation refers to the activity carried out in Italy under the freedom to provide services.

Undertakings operating in Italy in the Life classes only under the freedom to provide services may use a certified electronic mail address or, if they haven’t got one, send the documentation to the address servizio.ispettorato@ivass.it through ordinary e-mail.

by delegation of the Joint Directorate

Signed digitally by
Riccardo Cesari

Resolution 71/2017

Instructions for filling in the spreadsheet containing the information to be submitted to IVASS

a. General instructions

The parent undertaking is required to provide data referred to the insurance group and to each individual undertaking, including those operating abroad. In relation to the latter the parent undertaking is required to fill in only the fields from 1 to 24 of section 2 (Gross premiums written).

Information may only be provided through the enclosed spreadsheet.

Undertakings may not modify, move, add or delete the current fields.

For those fields requiring a description, this must fit in a single cell.

Information must refer to:

- December 31st of the year preceding the date when they fill in the spreadsheet, where inventory data are to be reported (for example, customer number for each risk-profile cluster; however insurance undertakings are not required to identify the risk profile of customers that terminated their contracts prior to that date);
- the whole year preceding the date when they fill in the spreadsheet, where flow data are to be reported (for example gross premiums written during the year).

The spreadsheet is made up of six sections; they contain:

- information on the structure of the AML function and on the training activity (sect. 1);
- the volume of gross earned premiums written, broken down by product, risk class of customers, level of due diligence and distribution channel used (sect. 2);
- claims paid (sect. 3);
- the results of management and control activities carried out by the undertaking (sect. 4);
- the breakdown of gross earned premiums written through each intermediary (sect. 5);
- the results of the self-assessment process (sect. 6).

Undertakings pursuing business in Italy by way of freedom of services must only fill in section 5.

In order to allow further checks by corporate bodies and by IVASS, the list of the analytical information that makes up each aggregate item reported in the spreadsheet must be alternatively:

- readily extractable from corporate databases already in use, historicised at the reference date;
- kept in a specific database, created during the aggregation of the analytical data used for the implementation of the electronic spreadsheet.

b. Instructions for filling in Section 1 (Organisation Model)

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c. Instructions for filling in Section 2 (Premiums)

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d. Instructions for filling in Section 3 (Claims paid)

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e. Instructions for filling in Section 4 (Management and Control)

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f. Instructions for filling in Section 5 (Intermediaries)

In this section, the total amount of gross earned premiums written in Italy through every single intermediary in 2016 must be included in column E of the table corresponding to the type of activity carried out. The breakdown of premiums relating only to collective policies must be included in column F.

g. Instructions for filling in Section 6 (Residual risk matrix)

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