

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010

When does it come into effect?

15th July 2010

What does the Act require?

The Act imposes various obligations on “designated persons” with regard to establishing procedures to prevent and detect money laundering and terrorist financing activity. Life Assurance Companies and Insurance Brokers are designated persons and have a responsibility to comply with the Act.

One of the important features of the new legislation is the classification of insurance products into low, medium and increased risk categories. The risk referred to here is the risk of the product being used to launder money, not the inherent product risk. Anti money laundering obligations will vary depending on the level of risk of the product.

The Act requires that designated bodies satisfy themselves under (among other things) the headings of:

- Customer Due Diligence (personal and address identification)
- Source of Funds (who is paying and by what method)
- Source of Wealth (origin of wealth e.g. inheritance, windfall, earnings)

In addition, the legislation introduces the requirement to identify a Politically Exposed Person (PEP) at the point of sale and the undertaking of ongoing monitoring requirements for non face-to-face sales.

The requirement of vigilance and reporting of suspicious transactions remains the same. The legislation provides for sanctions to be taken against designated bodies that do not meet their obligations.

Under the Act, Irish Life is ultimately responsible for ensuring that the anti money laundering obligations for intermediary business is carried out, even though brokers have their own obligations to ensure compliance with the Act.

How will this affect you?

Prior to the Act, when Customer Due Diligence was required, we relied on the broker to complete a Certificate of Identification which stated that customer identification had taken place. After 15th July 2010, we will not be asking you to complete a Certificate of Identification but rather we will ask you to provide copies of the customer identification documents for certain types of business. You can find details of when we will need this in our “New Business Requirements” document in this section. Details regarding identification requirements for individuals or corporate entities and the definition of a Politically Exposed Person and Source of Wealth can be found in separate documents on our site

What will you need to do differently?

To ensure that the new business process runs as smoothly and quickly as possible for you, can you please send copies of identification documentation to us when you are sending us the application and the payment. If the customer makes further lump-sum payments to the plan or takes out further plans with Irish Life, we will not require further copies once there has been no change to any material facts such as the customer name and address. Simply advise us of the customer's previous plan number and we will refer to the customer records.