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Study of the Supervision of AML/ CFT on the Taiwanese Insurance Companies and the Intermediaries

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Abstract

This study briefly introduces the regulations and compliances of the insurance companies and the insurance agents and brokers (“intermediaries”) on anti-money laundering and countering terrorism financing (“AML/CFT”). It also reviews the common illegalities of domestic and foreign criminals’ using insurance products for money laundering and terrorism financing, and U.S. and U.K.’s regulations for AML/CFT between the insurance companies and intermediaries. In terms of how to establish effective regulations and compliances of AML/CFT which are suitable for Taiwanese insurance companies and intermediaries, this study suggests that we can start from two aspects: the practice of the insurance companies and intermediaries to establish a cooperative access management mechanism, and the practice of enhancing the insurance companies and intermediaries to confirm and verify the clients’ identity. In addition, in order to prevent the salesman’s over emphasis on

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performance and neglect the relevant cooperation obligations, this study proposes to include the salesman's implementation of AML/CFT into the part of the remuneration system, and to control the salesmen's compliances with the actual commission that can be collected.

Keywords: Anti-Money Laundering, Countering Terrorism Financing, Insurance Company, Insurance Agent, Insurance Broker, Insurance Intermediary, Risk Based Approach, Enhanced Due Diligence