

Introduction

Money Laundering

- (i) Knowingly moving, converting, or transferring proceeds of crime or property involved in an offence for the following purposes:-
- (1) Concealing or disguising the illicit nature, source, location, ownership or control of the proceeds of crime; or
 - (2) Assisting any person involved in the commission of the **predicate offence** to evade the legal consequences of such offence;
- (ii) Smuggling money or property earned through legal or illegal means to a foreign country;

Terrorist Financing

- Financial support, in any form of terrorism or of those who encourage, plan, or engage in terrorism.

Predicate Offence

- | | | |
|---|---|---|
| <ul style="list-style-type: none">▪ Corruption and bribery▪ Counterfeiting currency▪ Counterfeiting deeds and documents▪ Extortion▪ Fraud▪ Forgery▪ Illegal trade of firearms▪ Illegal trade in narcotic drugs▪ Illegal trade in stolen and other goods | <ul style="list-style-type: none">▪ Kidnapping & hostage taking▪ Murder, grievous physical injury▪ Trafficking of women and children▪ Black marketing▪ Smuggling of domestic and foreign currency▪ Theft or robbery or hijacking of aircraft▪ Human trafficking▪ Dowry | <ul style="list-style-type: none">▪ Smuggling and offence related to customs and excise duties▪ Tax related offence▪ Infringement of intellectual property rights▪ Terrorism or financing in activities▪ Adulteration▪ Offence related to environment▪ Sexual exploitation▪ Manipulation – Capital Market▪ Organized Crime▪ Racketeering |
|---|---|---|

MLTF in Insurance Sector

Prepared By
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Executive Director
(Additional Secretary)

Insurance Development and Regulatory Authority

Outline of the Presentation

- Introduction
- MLTF Risks
- Ways of MLTF Through Insurance Companies
- Red flags
- Responsibilities of Underwriter
- Measures to Prevent
- Recommendations

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ATTACHMENT - ONE

A-1

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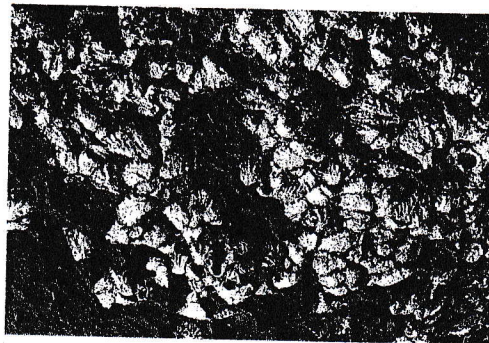
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Suspicious Transaction -Sec 2 (Z)

- Suspicious Transaction means such transaction
- **Which deviates from usual transactions;**
- Of which there is ground to suspect that,
- The property is proceeds of an offence,
- It is financing to any terrorist activities, a terrorist group or individual terrorist;
- Which is, for the purposes of this Act, any other transactions or attempt of transaction delineated in the instructions issued by BFIU from time to time;

ML/TF Risks in Insurance Companies

- Customers Risk
- Product and Services Risk
- Country/Geographical Risk
- Business practices / delivery methods or channels Risk
- Regulatory Risk



Process of Money laundering

- Placement
- Layering
- Integration

Investigating Agency

- Money Laundering Prevention rules 2019
- Predicate offence-Investigating Agency
- Schedule – 1
- Corruption and bribery – Anticorruption Commission

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Ways of MLTF Through Insurance Companies

Return premiums

- A number of policies entered into by the same insurer/intermediary for small amounts and then cancelled at the same time
- Return premium being credited to an account different from the original account
- Requests for return premiums in currencies different to the original premium, and
- Regular purchase and cancellation of policies.

Ways of MLTF Through Insurance Companies

Claims

- A claim is one of the principal methods of laundering money through insurance.

Assignment of claims

- A money launderer may arrange with groups of otherwise legitimate people, perhaps owners of businesses, to assign any legitimate claims on their policies to be paid to the money launderer.

An "assignment" is a transfer of an interest or right to another. Almost any right can be assigned, including the right to **insurance proceeds**. When insurance proceeds are assigned to a restoration contractor, the contractor has the right to demand payment directly from the insurance company.

Ways of MLTF Through Insurance Companies

Life Insurance

- Unit-linked or with profit single premium contracts
- Single premium life insurance policies that store cash value (one time, FDR) (Tax)
- Fixed and variable annuities (Second hand) endowment policies (TP)

Ways of MLTF Through Insurance Companies

Reinsurance

- Deliberate placement via the insurer of the proceeds of crime or terrorist funds with reinsurers in order to disguise the source of funds.
- Establishment of **bogus reinsurers**, which may be used to launder the proceeds of crime or to facilitate terrorist funding.
- Establishment of **bogus insurers**, which may be used to place the proceeds of crime or terrorist funds with **legitimate reinsurers**.

Non-life Insurance

- Through inflated or totally **bogus claims** to be made to recover part of the invested illegitimate funds
- **Cancellation of policies** for the return of premium by an insurer's check
- **Overpayment of premiums**: An amount, equal to a fraction of the premium, which is given back to the insured in the case of a cancellation, an adjustment to the rate, or an overpayment of an advance premium.
- **Under-insurance**

- Channeling payments via **offshore banks**;
- Purchasing an annuity with a lump sum rather than paying regular premiums over a period of time, particularly if the beneficiary is of an age which entitles him to receive the funds soon after;
- Purchasing products which are **inconsistent with the buyer's age, income, employment or history**;
- The funds coming from another country, particularly **high-risk jurisdictions**
- A customer who wants to pay a large premium with **foreign currency**.

Responsibilities of Underwriter

- **Know and follow Anti Money Laundering Policy**
- **Watch for suspicious activity**
 - Suspicious Activity - activity that is outside normal business procedures
- **Watch for "red flags":** Red flags includes:
 - Unusual payment methods;
 - Reluctance to give identifying information;
 - Customer gives fictitious information;
 - Frequent loans on the policy that are immediately paid back;
 - Owners or beneficiaries on a policy are foreign nationals;

Red Flags which may indicate Money Laundering through Insurance Companies

- Paying a large "top-up" into an existing life insurance policy;
- Purchasing a general insurance policy, then **making a claim soon after** ;
- A customer who **usually purchases small policies**, suddenly requests a large lump-sum contract;
- A customer who wishes to fund its policy **using payments from a third party**;
- Premiums being paid into **one policy, from different sources**;
- Making **over-payment** on a policy, then asking for a refund;

Red Flags

- Where the relationship between the policy holder and **beneficiary seems unusual**;
- **Making a large investment**, then asking for a **refund** after the free-look or cooling-off period;
- "Structuring" – i.e. purchasing several policies just under the reportable limit, **instead of purchasing one large policy**;
- Where the customer is more **interested in learning about cancellation** terms than about the benefits of the policy
- **Unusually large payments using cash**, money order or travelers cheques (without banking channel)
- **Redemption of a policy** which is unusually early or does not make good economic sense

Recommendation

- Reform & Automation of Insurance Industry;
- Online reporting and monitoring by the regulator and stakeholders;
- Awareness of the related parties;
- Non face to face transactions (if applicable);
- Expansion of coverage of insurance;
- Introduction of new products & derivatives;
- Proper reinsurance arrangements with reinsurers;
- Customer identification/verification to complete Due Diligence;

Recommendation

- Know your customer's additional information to complete EDD;
- Identification of the High risk customers;
- Handling of Politically Exposed Persons/Socially Influential Person;
- Monitoring of suspicious transaction/activity;
- Cooperation with the authorities;
- Record keeping ;
- Screening of transactions and customers;
- Training, research and awareness;
- Adoption of risk management practices and use of a risk-based approach;

Responsibilities of Underwriter

Suspicious Activity Monitoring/ Reporting

- Report all suspicious activity or "red flags" to Compliance Officer immediately- STR & SAR;
- Help the Compliance Officer in the gathering of all information needed for reporting requirements;
- Cannot let individual know we are reporting their suspicious activity;

Measures to Prevent Misuse of Insurance Sector by MLTF

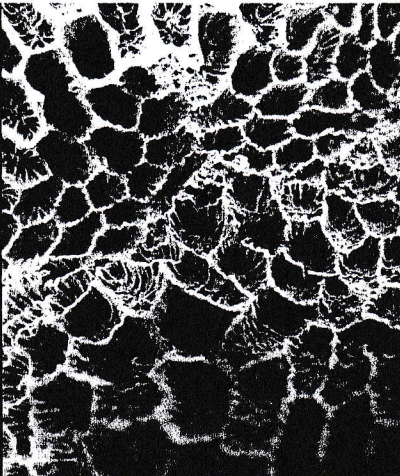
- Comply the insurance rules regulations and circulars;
- Maintain accurate underwriting procedure;
- Accurately fill up the KYC form;
- Comply the instructions of IDRA;
- Development of internal policies, procedures and controls;
- Appointment of an AML/CFT compliance Officer;
- Ongoing employee training;
- Independent audit function including internal and external audit function to test the effectiveness and efficiency of the program;

(৪) রিপোর্ট প্রদানকারী সংস্থার নিয়ন্ত্রণকারী কর্তৃপক্ষ তাহাদের বিদ্যমান তদারকি কার্যক্রমের অংশ হিসেবে উপ-ধারা (১) ও বিধি দ্বারা নির্ধারিত দায়-দায়িত্ব পরিপালন নিশ্চিত করিবে এবং উপ-ধারা (১) ও বিধি দ্বারা নির্ধারিত দায়-দায়িত্ব পরিপালনে রিপোর্ট প্রদানকারী সংস্থার বর্গতার দায় নিয়ন্ত্রণকারী কর্তৃপক্ষের উপরও বর্তাইবে।

(৫) কোন রিপোর্ট প্রদানকারী সংস্থা উপ-ধারা (১) এর বিধানসহ বিধি দ্বারা নির্ধারিত কোন বিধান লংঘন করিলে নিয়ন্ত্রণকারী কর্তৃপক্ষ উপ-ধারা (২) মোতাবেক ব্যবস্থা গ্রহণ করিতে পারিবে এবং এইরূপে গৃহীত ব্যবস্থা বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটকে অবিলম্বে অবহিত করিতে হইবে।

(৬) রিপোর্ট প্রদানকারী সংস্থার নিয়ন্ত্রণকারী কর্তৃপক্ষ তাহাদের তদারকি কার্যক্রম বা অন্য কোনভাবে এই আইনের অধীন সংঘটিত কোন অপরাধ সম্পর্কে অবহিত হইলে বা চিহ্নিত করিলে অবিলম্বে তাহা বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটকে অবহিত করিবে।]

Thank You



২৫। (১) মানিভারিং অপরাধ প্রতিরোধে রিপোর্ট প্রদানকারী সংস্থার নিয়ন্ত্রণ [দায়-দায়িত্বসহ বিধি দ্বারা নির্ধারিত অন্যান্য দায়-দায়িত্ব] থাকিবে, যথাঃ—

(ক) উহার গ্রাহকের হিসাব পরিচালনাকালে গ্রাহকের পরিচিতির সঠিক ও পূর্ণাঙ্গ তথ্য সংরক্ষণ করা;

(খ) কোন গ্রাহকের হিসাব বন্ধ হইলে বন্ধ হইবার তারিখ হইতে অনূন ৫ (পাঁচ) বৎসর পর্যন্ত উক্ত [হিসাব ও]

হিসাবের লেনদেন সংক্রান্ত তথ্য সংরক্ষণ করা;

(গ) দফা (ক) ও (খ) এর অধীন সংরক্ষিত তথ্যাদি [বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটের] চাহিদা

মোতাবেক, সময় সময়, সরবরাহ করা;

(ঘ) ধারা ২ (য) এ সংজ্ঞায়িত কোন সন্দেহজনক লেনদেন বা লেনদেনের প্রচেষ্টা পরিলক্ষিত হইলে স্ব-উদ্যোগে

অবিলম্বে [বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিটে] 'সন্দেহজনক লেনদেন রিপোর্ট' করা।

(২) কোন রিপোর্ট প্রদানকারী সংস্থা উপ-ধারা (১) এর বিধান লংঘন করিলে^{৯৯} [বাংলাদেশ ফাইন্যান্সিয়াল ইন্টেলিজেন্স ইউনিট বা রিপোর্ট প্রদানকারী সংস্থার নিয়ন্ত্রণকারী কর্তৃপক্ষ]-

(ক) উক্ত সংস্থাকে অনূন ৫০ (পঞ্চাশ) হাজার টাকা এবং সর্বোচ্চ ২৫ (পঁচিশ) লক্ষ টাকা পর্যন্ত জরিমানা করিতে পারিবে; এবং

(খ) দফা (ক) এর অধীন আরোপিত জরিমানার অতিরিক্ত উক্ত সংস্থা বা সংস্থার কোন শাখা, সার্ভিস সেন্টার, বুথ বা এজেন্টের ব্যবসায়িক কার্যক্রমের অনুমতি বা লাইসেন্স বাতিল করিতে পারিবে বা ক্ষেত্রমত, নিবন্ধনকারী বা লাইসেন্স প্রদানকারী কর্তৃপক্ষকে উক্ত সংস্থার বিরুদ্ধে যথাযথ ব্যবস্থা গ্রহণের নিমিত্তে বিষয়টি অবহিত করিবে।

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Appropriate AML/CFT Compliance Culture for the Insurance Sector: Way Forward

A.K.M. Ramizul Islam

Deputy General manager, BFIU

BASEL AML 1-47
45th - 2019World Review 1-2019
2019 - 31st
2018 - 25th

Importance of AML/CFT Culture

- Thematic Review: How Small Financial Institutions Manage Money Laundering and Sanctions Risk, FCA
- Advisory to Financial Institutions on Promoting a Culture of Compliance, FinCEN
- AUSTRAC INSIGHTS: Governance



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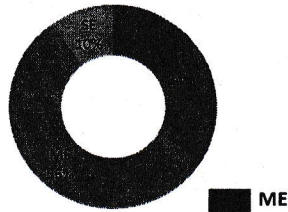
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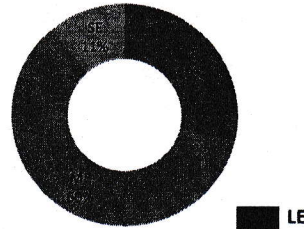
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Global AML/CFT Compliance and Bangladesh

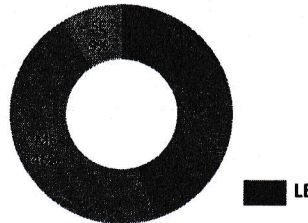
IO3 Supervision



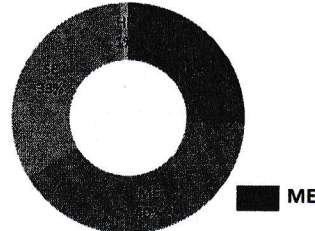
IO4 Preventive Measures



IO5 Legal Persons and Arrangements



IO1 Risk, Policy and Coordination



Building Blocks of Strong AML/CFT Culture

- Tone from the Top — B/M
- Leadership Engagement
- Quality Monitoring
- Compliance Should Not Compromised by Revenue Interest
- Sufficient Resourcing for the AML Framework
- AML/CFT is Business as Usual
- Training and Communication

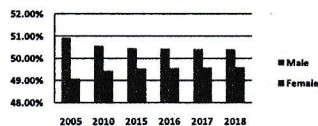


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Empowering Women Leaders in AML/CFT Compliance Culture



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■ The Constitution of Bangladesh

- Article 10
- Article 19(2)
- Article 28(2)
- Article 28(4)

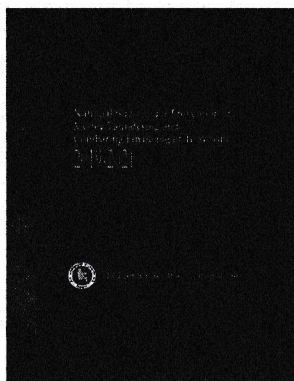
■ UNSCR

■ National Women Development Policy

■ UNODC Strategy

- Resolution 26/3 entitled "Mainstreaming a gender perspective into crime prevention and criminal justice policies and programs and into efforts to prevent and combat transnational organized crime."
- Resolution 59/5 entitled "Mainstreaming a gender perspective in drug-related policies and programs"

National Strategy for Prevention of ML/TF 2019-2021



■ Strategy 6 (Action Items)

- Engage all regulatory authorities, SRBs and associations to create a compliance culture among the reporting organizations
- Provide enough resources to the AML/CFT units of the regulators
- Focus on internal controls of ROs and on verification of CDD, identification of beneficial ownership and PEPs, ongoing CDD, and measures to improve the quality and quantity of STRs while inspecting ROs



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Conclusion |

- **Ensure** End-to-End Ownership of AML/CFT Compliance
- **Establish** a Prudent Monitoring Screening and Reporting Eco-System
- **Conduct** Effective Training Program for Capacity Building
- **Promote** Gender Participation in AML/CFT Compliance Culture
- **Prepare** Time Bound Action Plan to Implement NSP of ML/TF 2019-2020



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THANK YOU |

Bangladesh Financial Intelligence Unit



ATTACHEMENT- THREE

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e-KYC Regulation

Md Masud Rana, CAMS, M(PICT)

BFIU: Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML & TF



Session Objective

- ☐ Understanding the e-KYC and its benefits and process.

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e-KYC

Definition:

- ☐ Electronic KYC or e-KYC means conducting customer due diligence in a digital means, which includes followings:
 - ☐ Client on boarding;
 - ☐ Client digital KYC profile; and
 - ☐ Client risk grading.

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Target

Sustainable Development Goal (SDG)

SDG agenda- 8(10) of the same urges for capacity building of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

Vision 2021

Reaffirms the government commitment to provide financial service at doorstep of the citizens in an easy, faster and low-cost manner.

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Objectives

The basic objectives of implementing e-KYC policies may be described as follows:

- ☐ Establish good governance within the financial industry;
- ☐ Enhancing the growth of financial inclusion;
- ☐ Protect financial sector from abusing for criminal activities;
- ☐ Ensure integrity of the industry;
- ☐ Manage ML/TF risks;
- ☐ Promote sustainable development of the sectors;
- ☐ Reduction of customer on boarding cost;
- ☐ Promote fintech industry; and
- ☐ Participate in the national level well-being.

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Financial Crime VS. AML/CFT

(a) Simplified e-KYC: Where a customer can be on boarded electronically and a simplified digital KYC form required to maintain at the institutions end; and

(b) Regular e-KYC: Where a customer can be on boarded electronically, a prescribed digital KYC required be filled in and stored as well as a risk grading exercise required to be documented.

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Simplified measures

NID Number.....

Date of Birth: (DD/MM/YYYY).....

Biometric verification.....

Next

Applicant's Name:.....

Mother's Name:.....

Father's Name:.....

Gender (M/F/T).....

Profession:.....

Mobile Phone Number:.....

Present Address:.....

Permanent Address:.....

Minors:..... Relation..... Photograph.....

Next

Photograph:.....

Next

Client: signature or digital signature or PIN.....

Next

Account Opening Notification

BFIU: The Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML &TF



Regular measures

- Taking picture of customer NID (original copy)-front page
- Taking picture of customer NID (original copy)-back page

Next

• Taking picture of customer face

Next

Account Name..... Account Type.....

Account Number..... Unique Account Number.....

Applicant's Name.....

Mother's Name.....

Father's Name.....

Spouse's Name.....

Gender (M/F/T)..... Date of Birth.....

Profession..... Monthly Income..... Sources of Fund.....

Mobile Phone Number.....

Present Address.....

Permanent Address.....

Minors:..... Date of Birth..... Relation..... Photograph.....

NB: a) Incorporate 'add' button of similar field if there is more than one applicant;
b) If applicant is minor then they should proceed for traditional methods of account opening;
c) Incorporate 'add' the following field if condition is 'minor'
i) Name of minor nominee... ii) Name of Guardian... iii) Address... iv) Relation...
v) NID of Guardian... vi) Photograph of Guardian.....

Photograph:.....

Next

Client: signature or digital signature or PIN.....

Next

Account Opening Notification

BFIU: The Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML &TF

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Financial Crime VS. AML/CFT

(a) Assisted Check in: Where a reporting entity or its nominated agent or third-party visit customer or customer visit reporting entity or its nominated agent or third party's premises and reporting entity or its nominated agent or third party assisted the client on boarding process; and

(b) Self Check in: Where customer can on-board at his own by using kiosk, smart phone, computer or other digital means abiding by the norms of this e-KYC regulations.

BFIU: The Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML & TF



Thank you

BFIU: National Agency to Receive, Analyze and Disseminate STR/SAR related to ML & TF



Financial Crime in the Insurance Industry

Md Masud Rana, CAMS, M(PIC)

BEIU: The Central Agency to Receive, Analyze and Disseminate STR/SAR related to ML & TF



Session Objective

- ☐ Understanding the financial crime in the insurance industry;
- ☐ Ways and means to protect insurance industry from the risk of abuse from financial crime.

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Financial Crime

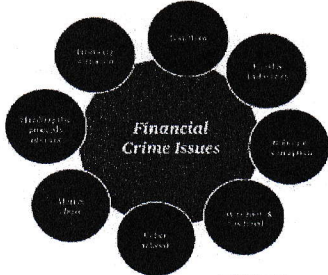
Definition:

- ☐ Financial crime also been referred to as white collar crime a term used by Professor Edwin Sutherland in 1939;
- ☐ International organizations and professionals added few other elements within the financial crime space along with fraudulent activities are bribery and corruption, tax evasion, market abuse, cyber crime, handling proceeds of crime, financing of terrorism etc.
- ☐ Any deliberate deception perpetrated against or by an insurance company or agent for the purpose of unwarranted financial gain (Coalition Against Insurance Fraud)

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Financial Crime & AML/CFT



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Financial Crime VS. AML/CFT

Money Laundering

↑

Financial Crime (ML/TF)

↑



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Financial Crime vs. AML/CFT

The economic theory proved that where there is lower opportunity of money laundering it reduce the opportunity of financial crime

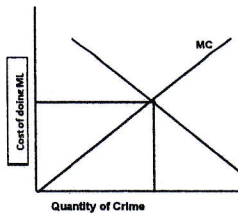


Fig.1

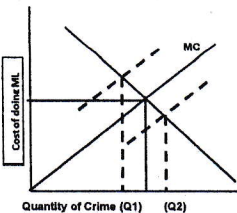


Fig.2

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Financial Crime vs. AML/CFT

- Higher opportunity of money laundering instigate the higher opportunity of financial crime;
- Effective reporting requirements, efficient functioning FIU, LEA and Judiciary have positive impact on reducing financial crime;
- Domestic level of coordination is an essential element of prevent ML/TF issues.

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Trends and typologies (life and non-life products)

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Trends and typologies

- On an European level, costs amount to at least 2% of all premiums paid
- The Association of British Insurers calculated that fraudulent claims cost the insurance industry about £1.6 billion a year
- In the Netherlands fraudulent claims account for about 900 million a year

Trends and typologies

- Insurance fraud steals USD\$ 80 billion annually in the US market, which represents the 2nd largest crime in America
- With that Money you could:
 - Build 290,000 new homes
 - Fund cancer research in America for the next 13 years
 - Pay all personal income taxes for 7.4 million Americans for 1 year

Trends and typologies

- Travel insurance**: Travel abroad for surgery without disclosing it; Claim refund of travel insurance premium post the trip
- Vehicle insurance**: Inflate claims basis bogus documentation
- Shop keeper insurance**: Inflate claim in collusion with the surveyor

Trends and typologies

- Premium: 21.2%
- Claims: 27.3%
- Employee related: 20.5%
- Application: 17.4%
- Vendor related, third party fraud: 13.6%

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Trends and typologies

Non-life industry:

- (a) Internal Fraud;
- (b) Policyholder or Claimant Fraud;
- (c) Intermediary Fraud; and
- (d) Insurer Fraud.

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Trends and typologies

Life industry:

- (a) Single Premium Policies;
- (b) Annuity Policies;
- (c) Refund of Premiums; and
- (d) Top-Ups;
- (e) Policy loans; and
- (f) Transferring ownership/beneficiary

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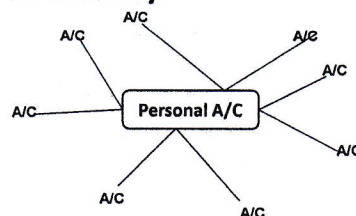
Case Study

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Trends and typologies

Non-life industry:



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Trends and typologies

Life industry:

A drug trafficker purchased a life insurance policy with a value of 8 crore. The policy was purchased through an agent of a large life insurance company using a cashier's cheque. The investigation showed that the client had made it known that the funds used to finance the policy were the proceeds of drug trafficking. In light of this fact, the agent charged significantly higher commission. Three months following this transaction, the investigation showed that the drug dealer cashed in his policy.

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Collaborative intervention against financial crime

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Intervention against financial crime

Unified approach by insurer

- ☐ Take a holistic approach to investigations;
- ☐ Look for opportunities with AI;
- ☐ Reduce costs by consolidating systems and
- ☐ Choose the model that works for your business.

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Intervention against financial crime

Regulatory apparatus

- ☐ Coordination among the regulators;
- ☐ Appropriate policy support;
- ☐ Internal & External Assessment; and
- ☐ Capacity building.

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Conclusion

- ☐ Comply with regulations;
- ☐ Strengthen risk management;
- ☐ Optimize your team;
- ☐ Make sense of your data; and
- ☐ Follow the best practices

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Thank you

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Insurance Sector in a Digital Age

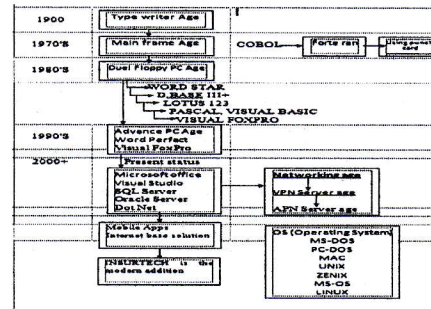
Jamal Mohammed Abu Naser
Chief Executive Officer
National Life Insurance Co. Ltd.

Before independence of Bangladesh, there were 37 life insurance company or agency after independent ultimately amalgamated to Jiban Bima Corporation. While ALICO was started 1952.

Now there are 32 life insurance companies, somehow using computer system by the way of manual and semi computing activities. Few companies are in maximum digital platform. Though activities may not be forecast, but can understand.

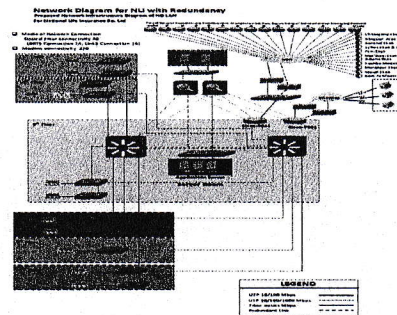
Following flowchart gives some idea about historical activities of computing in Bangladesh.

Computing Scenario of Bangladesh Insurance Industries



Comprehensive diagram of Life insurance Networking

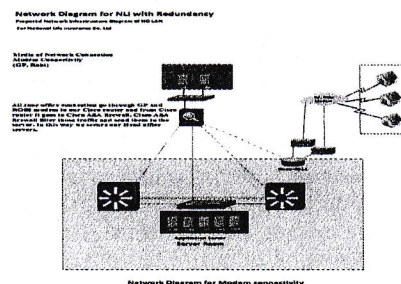
Central Networking Platform of a Life Insurance Company



Role of Data Center

A **data center** is a facility that centralizes an organization's IT operations and equipment, as well as where it stores, manages, and disseminates its data. Data centers house a network's most critical systems and are vital to the continuity of daily operations. Consequentially, the security and reliability of data centers and their information is a top priority for organizations. In our National Life Insurance Head office, there have a Data Center that is located at 9th floor of our building. Here we use all security label to secure our data center servers. Here we use Cisco ASA firewall, Cisco router and switch.

Data flow of Data Center using Modem



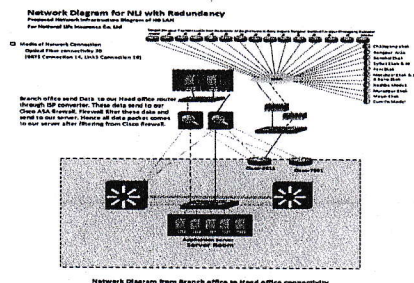
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Data flow of Data Center using Fiber optic connectivity

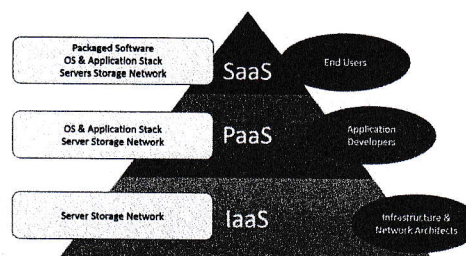


Cloud Storage

Cloud storage is a remote platform that uses a highly virtualized, multi-tenant infrastructure to provide enterprises with scalable storage resources that can be provisioned dynamically as required by the organization. This service is offered by a wide array of cloud storage providers.



Saas, Paas and Iaas



Software as a service(Saas)

Software as a Service, also known as cloud application services, represents the most commonly utilized option for businesses in the cloud market. SaaS utilizes the internet to deliver applications, which are managed by a third-party vendor, to its users. A majority of SaaS applications run directly through your web browser, which means they do not require any downloads or installations on the client side.

Platform as a Service (Paas)

Cloud platform services, also known as Platform as a Service (PaaS), provide cloud components to certain software while being used mainly for applications. PaaS delivers a framework for developers that they can build upon and use to create customized applications. All servers, storage, and networking can be managed by the enterprise or a third-party provider while the developers can maintain management of the applications.

We install our servers and software in cloud that we use to provide services to our client. These servers are used to communicate with our Data center servers. Our engineer uses incremental backup of our in house server with Cloud servers, so that if there have any Disaster occur we can provide service from cloud server.

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Infrastructure as a service

Cloud infrastructure services, known as Infrastructure as a Service (IaaS), are made of highly scalable and automated compute resources. IaaS is fully self-service for accessing and monitoring computers, networking, storage, and other services. IaaS allows businesses to purchase resources on-demand and as-needed instead of having to buy hardware outright.

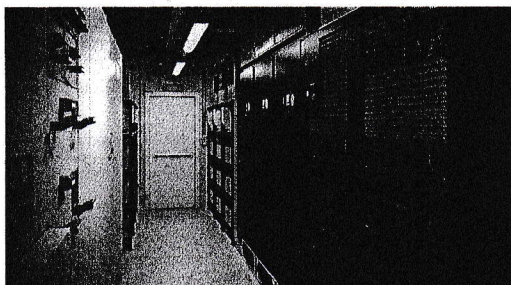
We use cloud storage server to backup all our important data and when need we restore this data.

Disaster Recovery (DR) center ✓

- In the IT space, disaster recovery focuses on the IT systems that help support critical business functions. The term "business continuity" is often associated with disaster recovery, but the two terms aren't completely interchangeable. Disaster recovery is a part of business continuity, which focuses more on keeping all aspects of a business running despite the disaster. Because IT systems these days are so critical to the success of the business, disaster recovery is a main pillar in the business continuity process.
- A disaster can be anything that puts an organization's operations at risk, from a cyberattack to equipment failures to natural disasters. The goal with DR is for a business to continue operating as close to normal as possible. The disaster recovery process includes planning and testing, and may involve a separate physical site for restoring operations.

Jessore

Figure of Disaster Recovery



Disaster Recovery Location

How does a business know what factors go into choosing the right data center for their disaster recovery plan? As a realtor might say — 'location is key!' When choosing this secondary location, a business must consider all worst case scenarios from a location in terms of avoiding a natural disaster. They should stay far away from seismic zones and regions with extreme weather or flooding events. They should evaluate their business territory and consider all potential emergencies within.

Each of the financial institutions has their own Data Recovery (DR) center. We also established our Disaster Recovery center in our Motijheel office. There have secure tunnel with our Head Office Data Center and Motijheel DR (Disaster Recovery) center to secure all our data. There have also high speed connectivity with redundant link between Head Office Data Center and Motijheel office DR center. The government has decided to set up a Disaster Recovery Site (DRS) at the Software Technology Park in Jessore to protect data of the banks and financial institutions. We also have another Data Recovery (DR) center in Our Jessore office to protect our all Data from any accidental or Disaster problem. We also have high speed secure tunnel between Head office and Jessore office DR center to take incremental backup of all our data from head office to Jessore DR servers.

Relational Database Management System (RDBMS) ✓

Introduction

Most of the problems faced at the time of implementation of any system are outcome of a poor database design. In many cases it happens that system has to be continuously modified in multiple respects due to changing requirements of users. It is very important that a proper planning has to be done.

A relation in a relational database is based on a relational schema, which consists of number of attributes.

A relational database is made up of a number of relations and corresponding relational database schema.

The goal of a relational database design is to generate a set of relation schema that allows us to store information without unnecessary redundancy and also to retrieve information easily.

One approach to design schemas that are in an appropriate normal form. The normal forms are used to ensure that various types of anomalies and inconsistencies are not introduced into the database.

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What is RDBMS ?

RDBMS stands for Relational Database Management System. RDBMS data is structured in database tables, fields and records. Each RDBMS table consists of database table rows. Each database table row consists of one or more database table fields. RDBMS store the data into collection of tables, which might be related by common fields (database table columns). RDBMS also provide relational operators to manipulate the data stored into the database tables. Most RDBMS use SQL as database query language. The most popular RDBMS are MS SQL Server, DB2, Oracle and MySQL.

Different Between DBMS & RDBMS

- DBMS stores data as files whereas RDBMS stores data in a tabular arrangement.
- RDBMS allows for normalization of data.
- RDBMS maintains a relation between the data stored in its tables. A normal DBMS does not provide any such link. It blankly stores data in its files.
- Structured approach of RDBMS supports a distributed database unlike a normal database management system.

Features of RDBMS

- First of all, its number one feature is the ability to store data in tables. The fact that the very storage of data is in a structured form can significantly reduce iteration time.
- Data persists in the form of rows and columns and allows for a facility primary key to define unique identification of rows.
- It creates indexes for quicker data retrieval.
- Allows for various types of data integrity like
 - Entity integrity; wherein no duplicate rows in a table exist.
 - Domain integrity; that enforces valid entries for a given column by filtering the type, the format, or the wide use of values.
 - Referential integrity; which disables the deletion of rows that are in use by other records.
 - User Defined Integrity; providing some specific business rules that do not fall into the above three.
- Also allows for the virtual table creation which provides a safe means to store and secure sensitive content.
- Common column implementation and also multi user accessibility is included in the RDBMS features.

Advantages of RDBMS

- Data is stored only once and hence multiple record changes are not required. Also deletion and modification of data becomes simpler and storage efficiency is very high.
- Complex queries can be carried out using the Structure Query Language. Terms like 'Insert', 'Update', 'Delete', 'Create' and 'Drop' are keywords in SQL that help in accessing a particular data of choice.
- Better security is offered by the creation of tables. Certain tables can be protected by this system. Users can set access barriers to limit access to the available content. It is very useful in companies where a manager can decide which data is provided to the employees and customers. Thus a customized level of data protection can be enabled.
- Provision for future requirements as new data can easily be added and appended to the existing tables and can be made consistent with the previously available content. This is a feature that no flat file database has.

Disadvantages of RDBMS

- The prime disadvantage of this effective system is its cost of execution. To set up a relational database management system, a special software needs to be purchased. Once it is bought, setting up of data is a tedious task. There will be millions of lines of content to be transferred to the tables. Some cases require the assistance of a programmer and a team of data entry specialists. Care must be taken to ensure secure data does not slip into the wrong hands at the time of data entry.
- Simple text data can be easily added and appended. However, newer forms of data can be confusing. Complex images, numbers, designs are not easy to be categorized into tables and presents a problem.
- Structure limits are another drawback. Certain fields in tables have a character limit.
- Isolated databases can be created if large chunks of information are separated from each other. Connecting such large volumes of data is not easy.

What is ERP

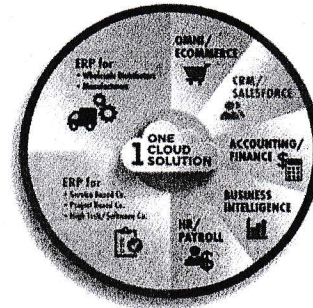
The Definition of Enterprise Resource Planning (ERP) is an integrated information system that serves all departments within a business and helps manage all the important parts of a business. ERP is best described as a relational database software package that supports a company's business processes and operations, including; finance, accounting, accounts receivable, accounts payable, sales order processing, purchase order processing, inventory control / management, manufacturing, human resources, payroll processing and much more. The goal of an ERP solution is to have one single integrated system for the entire company.

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Cloud ERP

- Cloud ERP is an effective approach that many businesses implement to enhance their productivity and performance. It is known as a systematic approach that companies use to organize resources, as well as, improve efficiency, business processes and performance. The information made available through an ERP system provides improved visibility into key performance indicators (KPIs), business dashboards and reports. With the proper use of a cloud enterprise resource planning solution, companies can reduce their losses and increase their profits.
- With a cloud ERP your organization will have an instant competitive edge, be in position to scale and have future proof systems for continued growth.



The Business Value of ERP

Businesses can no longer ignore the valuable impact ERP's have in the business world. As fragmented business systems and processes become centralized into ERP databases, organizations can strategically align individual departments and enhance workflow resulting in substantial cost savings. The value and benefits of an ERP system include:

- Improved business insight from real-time reporting.
- Lower operational costs from integrated systems and streamlined business processes.
- Enhanced teamwork from staff; seamlessly sharing data across departments.
- Improved efficiency through a common user experience across many business functions and processes.
- Consistent infrastructure, all business activities have the same look and feel.
- High user-approval rating from a similar user experience.
- Reduced risk from better data integrity and financial controls.

ERP features and functions in Insurance Industry

- As a rule Insurance companies represent a complicated form of business when there is an administrative centre and numerous departments. Considering the tendency of growing interest in insurance among both juridical and physical entities it is crucial to provide clients with services of high quality – doing work quickly and efficiently. ERP solutions are destined to automate insurance contract accounting, calculation of insurance payments, preparation of insurance documentary and other necessary procedures.
- **Client Database** with customers' contact information and the services they have used sorted.
- **Purchasing Data Management** that gives access to the history of deals, description of existing products and sales plans on each of them what allows control all sales processes.
- **Contract Accounting Management** due to which all direct insuring and reinsuring contracts are available from one database and there are no difficulties in finding the necessary one.
- **Contract Follow-up Management** which contains accurate information on the way signed contracts are being fulfilled and whether some of them are put on hold or not.
- **Receivables and Credit Management** that stores in one place the whole information concerning debtors and creditors, their contact data and the history of collaborative engagement with the company.

ERP features and functions in Insurance Industry

- **Billing Management** that provides accurate control of financial accounting for customers and improves the processes of working out pricing models for insurance products.
- **Accounting Transaction Management** which allows to improve transaction reporting by preventing one's specialists from the processing of time-consuming paper-work and from gathering fragmented electronic documents.
- **Cash Management** with the integration of which one gets full control over its cash flow having at one's disposal accurately processed and analyzed data on the transactions made.
- **Finance Management** which simplifies financial planning and improves the level of finance data accuracy thus strengthening budgeting capabilities of the insurance company.
- **Human Resource Management** that provides hr-managers with a comprehensive set of tools which facilitate efficient personnel control covering attendance, bonuses and other necessary HR functions.

Benefits ERP can bring to Insurance Industry

- Highly competitive insurance business requires from its players proactive reaction to customers' demands and quick output of new quality insurance services. Specialized Enterprise Resource Planning solutions undoubtedly allow to support a complete cycle of insurance production providing owners of insurance companies with an opportunity to:
- Cut down the level of reserve stocks and increase the efficiency of working processes
- Optimize business-processes in the company by decreasing finance and time expenses
- Improve the efficiency of pricing processes and budgeting
- Regulate the production processes according to customer demand changes
- Control the quality of one's insurance services in real time
- Make an available database with all the necessary documents sorted there.

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Concepts in Big Data

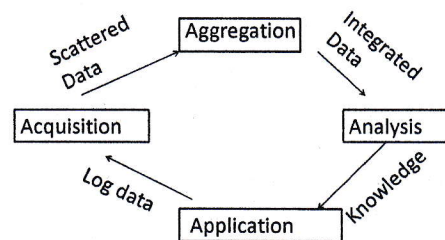
What is "big data"?

- "Big Data are high-volume, high-velocity, and/or high-variety information assets that require new forms of processing to enable enhanced decision making, insight discovery and process optimization" (Gartner 2012)
- Complicated (intelligent) analysis of data may make a small data "appear" to be "big"
- Bottom line: Any data that exceeds our current capability of processing can be regarded as "big"

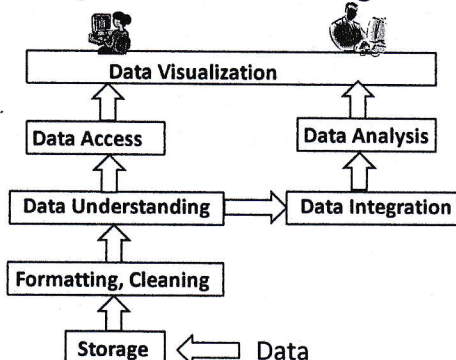
Why is "big data" a "big deal"?

- Government
 - Obama administration announced "big data" initiative
 - Many different big data programs launched
- Private Sector
 - Walmart handles more than 1 million customer transactions every hour, which is imported into databases estimated to contain more than 2.5 petabytes of data
 - Facebook handles 40 billion photos from its user base.
 - Falcon Credit Card Fraud Detection System protects 2.1 billion active accounts world-wide
- Science
 - Large Synoptic Survey Telescope will generate 140 Terabyte of data every 5 days.
 - Biomedical computation like decoding human Genome & personalized medicine
 - Social science revolution

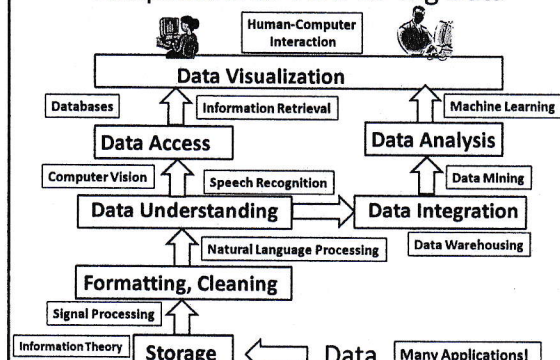
Lifecycle of Data: 4 "A"s



Computational View of Big Data



Computational View of Big Data



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Insure Tech

What is Insure Tech

"InsurTech" refers to a set of business models and/or platforms that create an enhanced customer experience by applying innovative technologies to the insurance industry.

InsurTechs today are offering a *value-added service* to insurance companies to improve the way they do business and increase profitability

Some examples of InsurTech firms that are working together with insurance companies

- **Sureify** – branding itself "the bridge between carriers and customers" – focuses on improved underwriting and customer engagement by providing insurers with more data on policyholders via mobile and Internet of Things devices.
- **Tyche** is an interactive platform allowing underwriters to assess casualty risk by blending open data with machine learning, ultimately helping insurers improve their bottom line by declining the riskiest fraction of their books.
- **Senteri** provides smart connected devices that give insurers dynamic updates on their risk, such as the risk in customers' homes. Senteri's mobile app allows customers to verify the products installed in their property that qualify for insurance discount programs, such as security systems, smoke alarms and automated door locks.

Some examples of InsurTech firms that are working together with insurance companies

- **Claimatic** – branding itself "An Uber for Claims" – provides a plug-in solution that integrates with existing claims management software systems to automatically assign the best available managers, field adjusters and vendors to handle claims based on real-time data.
- Alberta InsurTech startup **besure** is a risk sharing platform developed to facilitate the process of self insurance among communities through software. Pools are initiated and managed by groups, organizations and associations with shared risk.

How will InsurTech change P&C insurance?

Many in the industry are actively developing answers to just this question by learning about this emerging digital landscape, engaging with these startups and considering their innovative ideas – and even funding, acquiring or partnering with them. Aviva Canada, for example, has already demonstrated its interest in engaging the InsurTech startup scene by hosting hackathons and launching an accelerator program, in partnership with Ryerson University, for early-stage InsurTech startups that require rapid development.

What can we expect in the near future?

We're likely to see other forward-thinking insurers launch InsurTech programs and accelerators similar to Aviva's in the coming months and years. InsurTech startups will likely continue raising significant amounts of funding, and acquisitions of these startups by insurers and investment companies will also likely continue. Toronto investment company Mill Street & Co. for example, recently acquired Tuque, an InsurTech startup based in Ontario. Tuque provides a mobile app and website allowing customers to buy home, auto and business insurance as well as legal and tax coverage. This is clearly an exciting time for the P&C industry and it will be interesting to see how InsurTech continues to evolve in Canada. Consult CSIO.com for more articles and educational resources on technology relevant to the broker channel.

MIS - 500 ~~200~~ Report
632 CORE
64 CORE FOR Data base
568 - CORE FOR Training

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GAFAA

Apple, Facebook and Amazon, with Chinese e-commerce giant Alibaba (GAFAA)

- A critical factor in the rapidly changing environment for FSI (at financial services institutions (FSIs)) is the increasingly important customer-to-business (C2B) business model. The top disruptive C2B players—Google, Apple, Facebook and Amazon, with Chinese e-commerce giant Alibaba also coming on strong (GAFAA)—are expanding their range of offerings beyond shopping, entertainment and travel. They're now into products and services that affect consumers' health, homes and wealth. The GAFAA customer-centric approach generates tremendous amounts of data that can be analyzed in real time to obtain customer insights. Those insights then can serve as the basis of opportunities to cross- and up-sell new and complementary products.
- Now, customer-to-business (C2B) model GAFAA turns to INSURTECH to penetrate insurance market aiming to catch up Life, Health, Nonlife insurance and disability market.

** A Blockchain Approach*

Driving Digital Agility in Insurance

Capabilities of future insurance industry

** Fraud Detection Prevention*

The End

** Insurers are lost in data (a look)*