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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

L.D.B. 3/2006

FINANCIAL TRANSACTIONS REPORTING ACT, No. 6 OF 2006

RULES made by the Financial Intelligence Unit under section 2 of the Financial Transactions Reporting Act, No. 6 of 2006.

Financial Intelligence Unit.

Colombo,
13 May, 2019.

Rules

1. These Rules may be cited as the Insurers(Customer Due Diligence) Rules, No. 1 of 2019.

2. These Rules shall apply to every institution engaged in-

(a) underwriting and placement of insurance; and

(b) insurance intermediation by agents and brokers,

which carries on long term insurance business under the Regulation of Insurance Industry Act, No. 43 of 2000 (hereinafter referred to as the “Insurer”).

3. Every Insurer shall take the measures specified in these rules for the purpose of identifying, assessing and managing money laundering and terrorist financing risks posed by its customers, by conducting ongoing customer due diligence (hereinafter referred to as “CDD”) based on the risk based approach.

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PART I

**MONEY LAUNDERING AND TERRORIST FINANCING
RISK MANAGEMENT**

4. The intensity and extensiveness of risk management functions shall be in compliance with the risk based approach and be proportionate to the nature, scale and complexity of the Insurer's activities and money laundering and terrorist financing risk profile.

5. Every Insurer shall take appropriate steps to identify, assess and manage its money laundering and terrorist financing risks in relation to its customers, countries or geographical areas, products, services, transactions and delivery channels.

6. Every Insurer shall conduct the following processes in assessing money laundering and terrorist financing risks :-

- (a) documenting their risk assessments and findings;
- (b) considering all relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied;
- (c) keeping the assessment up-to-date through a periodic review; and
- (d) having appropriate mechanisms to provide risk assessment information to the Insurance Regulatory Commission of Sri Lanka.

7. Every Insurer shall have proper risk control and mitigation measures including the following:-

- (a) have internal policies, controls and procedures to manage and mitigate money laundering and terrorist financing risks that have been identified;
- (b) monitor the implementation of those policies, controls, and procedures and enhance them if necessary; and
- (c) take appropriate measures to manage and mitigate the risks, based on the risk based approach.

8. Every Insurer shall conduct risk profiling on its customers considering the following :-

- (a) risk level according to customer category (ex: different types of customers such as resident or non-resident, occasional or one-off, legal persons, politically exposed persons and customers engaged in different types of occupations);
- (b) geographical location of business or country of origin of the customer;
- (c) products, services, transactions or delivery channels of the customer (ex: cash-based, face-to-face or non-face-to-face, cross-border); and
- (d) any other information regarding the customer.

9. The risk control and mitigation measures implemented by every Insurer shall be commensurate with the risk level of a particular customer as identified based on risk profiling.

10. Upon the initial acceptance of a customer, every Insurer shall regularly review and update the customer's risk profile based on his level of money laundering and terrorist financing risk.

11. An Insurer's money laundering and terrorist financing risk management shall be affiliated and integrated with the overall risk management relating to the Insurer.

12. Every Insurer shall provide a timely report of its risk assessment, Insurer's money laundering and terrorist financing risk profile and the effectiveness of risk control and mitigation measures to its Board of Directors. The frequency of reporting shall be commensurate with the level of risks involved and the operating environment thereof.

13. The report referred to in rule 12 shall include the following:-

- (a) results of monitoring activities carried out by the Insurer for combating money laundering and terrorist financing risks(ex:level of the Insurer's exposure to money laundering and terrorist financing risks, break-down of money laundering and terrorist financing risk exposures based on key activities or customer segments, trends of suspicious transactions reports and threshold reports in terms of the Act, judicial pronouncements and freezing actions under the United Nations Security Council Resolutions);
- (b) details of recent significant risks involved in either internally or externally, the *modus operandi* and its impact or potential impact on the Insurer; and
- (c) recent developments in written laws on anti-money laundering and suppression of terrorist financing and its implications for the Insurer.

Internal Controls, Policies, Compliance, Audit and Training

14.(1) Every Insurer shall formulate an internal policy approved by its Board of Directors subject to the written laws for the time being in force, on anti-money laundering and suppression of terrorist financing.

(2) The detailed procedures and controls shall be developed by each Insurer in compliance with such policy.

15. Such policies, procedures and controls shall include, risk assessment procedures, CDD measures, manner of record retention, threshold reporting procedures, the detection and internal reporting procedure of unusual and suspicious transactions and the obligation to report suspicious transactions to the Financial Intelligence Unit.

16. Every Insurer shall in formulating policies, procedures and controls, take into consideration, money laundering and terrorist financing risks that may arise from the use of new or developing technologies, especially those having features of anonymity or inconsistency with the basic principles of CDD measures.

17. Every Insurer shall-

- (a) appoint a senior management level officer as the compliance officer who shall be responsible for ensuring the Insurer's compliance with the requirements of the Act and these rules;
- (b) ensure that the compliance officer or any other person authorized to assist him or act on behalf of him, has prompt access to all customer records and other relevant information which may be required to discharge their functions;
- (c) develop and implement a comprehensive employee due diligence and screening procedure to be carried out at the time of appointing or hiring of all employees whether permanent, contractual or outsourced;
- (d) frequently design and implement suitable training programmes for relevant employees including Board of Directors, in order to effectively implement the Act and any regulation made thereunder and internal policies and procedures relating to money laundering and terrorist financing risk management; and

- (e) maintain an independent audit function to ensure that it is adequately resourced and able to regularly assess the effectiveness of the Insurer's internal policies, procedures and controls and its compliance with the Act and any regulation made thereunder.

Foreign Branches and Subsidiaries

18. Financial groups which consist of Insurers shall implement group-wide programmes which shall be applicable and appropriate for all branches and majority-owned subsidiaries of the financial group with a view of combatting money laundering and terrorist financing activities and shall include the following in addition to the measures referred to in rule 17:-

- (a) initiate measures and procedures for sharing information required for the purposes of conducting CDD and money laundering and terrorist financing risk management;
- (b) provide information of customers, insurance policies and transactions, and of audits, with group level compliance, from all branches and subsidiaries of the financial group when necessary for implementing the anti-money laundering and suppression of terrorist financing measures; and
- (c) maintain adequate safeguards on the confidentiality and use of information exchanged among the branches and subsidiaries of the financial group.

19. Every Insurer shall ensure that their foreign branches and majority-owned subsidiaries apply anti-money laundering and suppression of terrorist financing measures consistent with the domestic law requirements, where the relevant written laws of the relevant foreign country provide less stringent requirements than those provided for in the domestic law.

20. Where the foreign country does not permit the proper implementation of anti-money laundering or suppression of terrorist financing measures consistent with the domestic law requirements, every Insurer shall apply appropriate additional measures to manage money laundering and terrorist financing risks.

Using New Technologies

21. Every Insurer shall identify and assess money laundering and terrorist financing risks that may arise in relation to the development of new products and new business practices, including new delivery mechanisms and the use of new or developing technologies for both new and pre-existing products.

22. Every Insurer shall-

- (a) undertake the risk assessments prior to the launch or use of new products, practices and technologies; and
- (b) take appropriate measures to manage and mitigate the risks which may arise in relation to the development of new products and new business practices.

PART II

CUSTOMER DUE DILIGENCE (CDD)

CDD in general

23.(1) In terms of the provisions of section 2 of the Act, no Insurer shall open, operate or maintain any anonymous insurance policy, any insurance policy in a false name or in the name of a fictitious person, or any insurance policy that is identified by a number only (hereinafter referred to as "Numbered Insurance Policy").

(2) Numbered Insurance Policy includes an insurance policy that the ownership is transferrable without knowledge of the Insurer and an insurance policy that is operated and maintained with the insurance policy holder's name omitted.

24.(1) Where an Insurer enters into a business relationship with a customer through an agent, such Insurer shall require the agent to comply with the provisions of these rules in relation to CDD.

(2) Such Insurer shall set out the processes that shall be undertaken by the agents in conducting CDD and the appropriate enforceable action taken by Insurer in the event of non compliance in its agreement with the agents.

25. Every Insurer shall conduct CDD measures specified in these rules, on customers, when-

- (a) entering into business relationships;
- (b) the Insurer has any suspicion that such customer is involved in money laundering or terrorist financing activities, regardless of amount; or
- (c) the Insurer has any doubt about the veracity or adequacy of previously obtained information.

26. Every Insurer shall –

- (a) identify its customers prior to entering into business relationships;
- (b) obtain the information specified in the Schedule hereto, verify such information as applicable and record the same for the purpose of identifying and initial risk profiling of customers, at the minimum ;
- (c) obtain the following information for the purpose of conducting CDD, at the minimum:-
 - (i) purpose of the transaction;
 - (ii) sources of funds;
 - (iii) expected monthly turnover;
 - (iv) expected mode of transactions(ex:cash, cheque, etc.);
 - (v) expected type of counterparties (if applicable);
- (d) verify whether any person purporting to act on behalf of the customer is so authorized, and identify and verify the identity of such person;
- (e) identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using relevant information or data obtained from a reliable source, to the satisfaction of the Insurer;
- (f) identify the beneficiary and obtain the following information for the purpose of conducting CDD:-
 - (i) for a beneficiary that is identified as specifically named natural or legal persons or legal arrangements:obtain the name of the person;
 - (ii) for a beneficiary that is designated by characteristics or by class or by other means: obtaining sufficient information (ex:under a will or testament) concerning the beneficiary to satisfy the Insurer that it will be able to establish the identity of the beneficiary at the time of the payout; and
 - (iii) in the case of a beneficiary referred to in sub-paragraphs (i) and (ii), the identity of the beneficiary shall be verified at the time of payout.

27. Every Insurer shall include the beneficiary information as a relevant risk factor in determining whether enhanced CDD measures are to be applicable. If the Insurer determines that a beneficiary who is a legal person or a legal arrangement presents a higher risk, it shall take enhanced CDD measures which shall include reasonable mechanisms to identify and verify the identity of the beneficial owner of the beneficiary, at the time of payout.

Timing of Verification

28. Every Insurer shall verify the identity of the customer and beneficial owner before or during the course of entering into a business relationship:

Provided however, where the risk level of the customer is low according to the risk profile of the Insurer and verification is not possible at the point of entering into the business relationship, the Insurer may, subject to rule 29 allow its customer and beneficial owner to furnish the relevant documents subsequent to entering into the business relationship and subsequently complete the verification (hereinafter referred to as “delayed verification”).

29. In any case where delayed verification is allowed, the following conditions shall be satisfied:-

- (a) verification shall be completed as soon as it is reasonably practicable but not later than fourteen working days from the date of entering into the business relationship;
- (b) the delay shall be essential so as not to interrupt the Insurer’s normal conduct of business; and
- (c) no suspicion of money laundering or terrorist financing risk shall be involved.

30. Every Insurer shall adopt risk management procedures relating to the conditions under which the customer may utilize the business relationship prior to verification to mitigate the risk of delayed verification.

31. Where an Insurer is unable to comply with the relevant CDD measures, such Insurer shall, -

- (a) in relation to a new customer, not enter into the business relationship or perform the transaction; or
- (b) in relation to an existing customer, terminate the business relationship, with such customer and consider filing a suspicious transaction report in relation to the customer.

Enhanced CDD

32. Every Insurer shall conduct the following enhanced CDD measures, in addition to the general CDD measures specified in rule 26, where the assessed money laundering and terrorist financing risk for a customer has been rated as high risk:-

- (a) obtain additional information on the customer and beneficial owner (ex: volume of assets and other information from public databases) ;
- (b) obtain approval from the Senior Management, if any, before entering into or in the case of an existing customer for continuing such business relationship with the customer ;
- (c) obtain additional information on the intended nature of the business relationship ;
- (d) regularly update the identification data of the customer and the beneficial owner ; and
- (e) enquire and record the reasons for prospective or performed transactions.

33. No Insurer shall under any circumstance enter into a business relationship or conduct any transaction with a customer with high money laundering and terrorist financing risk, prior to verifying the identity of the customer and beneficial owner.

On-Going Customer Due Diligence

34. Every Insurer shall conduct on-going customer due diligence and on-going transaction scrutiny in terms of the provisions of section 5 of the Act on continuing business relationship with the customer, by-

- (a) scrutinizing transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the knowledge of the Insurer in respect of the customer, their business and risk profile, including where necessary, the source of funds;
- (b) ensuring that documents, data or information collected under the CDD process are kept up-to-date and relevant, by undertaking reviews of existing records particularly for customers from high risk countries referred to in rule 48; and
- (c) taking into consideration the economic background and purpose of any transaction or business relationship which:-
 - (i) appears unusual;
 - (ii) is inconsistent with the expected type of activity and business model when compared to the volume of transactions;
 - (iii) does not have any apparent economic purpose; or
 - (iv) gives rise to suspicion as to the legality of such transaction, especially with regard to a complex and large transaction or a transaction involving high risk customers.

35. The frequency of on-going customer due diligence or enhanced on-going customer due diligence, shall commensurate with the level of money laundering and terrorist financing risks posed by the customer based on the risk profile and the nature of transactions.

36. Every Insurer shall, increase the number and timing of controls applied and select patterns of transactions that need further examination, when conducting enhanced on-going due diligence.

Existing Customers

37. Every Insurer shall conduct CDD measures on its existing customers having regard to the assessment of materiality and risk of an existing customer. In assessing the materiality and risk, every Insurer may consider the following :-

- (a) the nature and circumstances surrounding the transaction including the significance of the transaction;
- (b) any material change in the way the insurance policy or business relationship is operated; or
- (c) the insufficiency of information held on the customer or change in customer's information.

38. An Insurer may not conduct further verification on previously conducted CDD in the following circumstances:-

- (a) renewal and reinstatement of insurance policies with no significant changes to the terms and conditions of the insurance policy (including benefits under the insurance policy); or

- (b) applications of long term insurance covers which do not provide for payment of surrender values, including hospital and surgical insurance, critical illness insurance.

39. If an existing customer provides unsatisfactory information relating to CDD, the relationship with such customer shall be treated as a relationship posing a high risk and be subject to enhanced CDD measures.

40. Where an Insurer forms a suspicion of money laundering and terrorist financing risk relating to a customer and it reasonably believes that conducting the process of CDD measures would tip off the customer, it shall terminate conducting the CDD measures and proceed with the transaction and immediately file a suspicious transaction report.

CDD for legal persons and legal arrangements

41. Every Insurer shall, in the case of a customer that is a legal person or legal arrangement,-

- (a) understand the nature of the customer's business, its ownership and control structure;
- (b) identify and verify the customer in terms of the requirements set out in the Schedule hereto.

42. In order to identify the natural persons, if any, who ultimately has controlling ownership interest in a legal person, an Insurer shall at the minimum obtain and take reasonable measures to verify the following:-

- (a) identity of all directors and shareholders with equity interest of more than ten *per cent* with the requirement imposed on the legal person to inform of any change in such directors and shareholders;
- (b) if there is a doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interest, the identity of the natural person, if any, exercising effective control of the legal person through independent sources;
- (c) authorization given for any person to represent the legal person either by means of Board resolution or otherwise;
- (d) where no natural person is identified under the preceding provisions, the identity of the relevant natural persons who hold the positions of senior management; and
- (e) when a legal person's controlling interest is vested with another legal person, identity of the natural person who controls the legal person.

43. In order to identify the beneficial owners of a legal arrangement, the Insurer shall obtain and take reasonable measures to verify the following:-

- (a) for trusts, the identities of the author of the trust, the trustees, the beneficiary or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust (including those who control through the chain of control or ownership); or
- (b) for other types of legal arrangements, the identities of persons in equivalent or similar positions.

44. The Insurer shall obtain sufficient information of the beneficiaries of trusts that are designated by characteristics or class of beneficiaries at the time of pay out or at the time of exercising their right for making a claim.

Non-Governmental Organizations, Not-for-Profit Organizations or Charities

45. Every Insurer shall conduct enhanced CDD measures when entering into a business relationship with a Non-Governmental Organization (hereinafter referred to as “NGO”) or a Not-for-Profit Organization (hereinafter referred to as “NPO”) and Charities to ensure that their insurance policies are used for legitimate purposes and the transactions are commensurate with the declared objectives and purposes.

46.(1) Every Insurer shall conduct transactions in the name of the relevant NGO, NPO or Charity as per title given in the constituent documents thereof.

(2) The individuals who are authorized to operate the insurance policies and members of their governing bodies shall also be subject to enhanced CDD measures.

(3) Every Insurer shall ensure that the persons referred to in paragraph (2) are not affiliated with any entity or person designated as a proscribed entity or person, whether under the same name or a different name.

47.(1) Every Insurer shall review and monitor all existing relationships of a NGO, NPO or Charity to ensure that those organizations, their authorized signatories, members of their governing bodies and the beneficial owners are not linked with any entity or person designated as a proscribed entity and person, either under the same name or a different name.

(2) In case of any suspicion on similarity in names, the Insurer shall file a suspicious transaction report or take other legal action or both.

Customers from High Risk Countries

48. (1) Every Insurer shall apply the enhanced CDD measures to business relationships and transactions to customers from high risk countries.

(2) The Financial Intelligence Unit in consultation with the Secretary to the Ministry of the Minister to whom the subject of Foreign Affairs has been assigned shall publish the list of high risk countries referred to in paragraph (1) on its official website-

- (a) based on the Financial Action Task Force listing ; or
- (b) independently, taking into account , the existence of strategic deficiencies in anti- money laundering and suppression of terrorist financing policies and not making sufficient progress in addressing those deficiencies in those countries.

49. In addition to enhanced CDD measures, every Insurer shall apply appropriate counter measures, as follows, for countries specified in the list of high risk countries referred to in paragraph (2) of rule 48, corresponding to the nature of risk of listed high risk countries:-

- (a) limiting business relationships or transactions with identified countries or persons located in the country concerned; and
- (b) conduct any other measure as may be specified by the Financial Intelligence Unit.

Politically Exposed Persons

50.(1) Every Insurer shall implement appropriate internal policies, procedures and controls to determine whether the customer or the beneficial owner is a politically exposed person.

(2) Every Insurer shall where a politically exposed person or an immediate family member and a close associate of apolitically exposed person is a customer or a beneficial owner, -

- (a) obtain approval from the senior management of the Insurer, if any, to enter into or continue business relationship;
- (b) identify, by appropriate means, the sources of funds and the sources of wealth; and
- (c) conduct enhanced CDD and ongoing monitoring of their business relationships with the Insurer.

Reliance on Third-Parties

51. An Insurer may rely on a third party financial institution or designated non-finance business to conduct CDD measures, including the identification of the customer, identification of the beneficial owner and understanding the nature of the business or initiating the business, when it is not practical to do so by the Insurer itself.

52. Where any Insurer relies on a third-party financial institution or designated non- finance business to conduct CDD measures, the ultimate responsibility for CDD measures shall remain with the Insurer relying on the third party, which shall-

- (a) obtain immediately the necessary information relating to CDD;
- (b) take steps to satisfy itself that copies of identification data and other relevant documentation relating to CDD requirements will be made available from the third party upon request without delay;
- (c) satisfy itself that the third party is regulated, supervised or monitored, and has measures to adhere to CDD and record-keeping requirements in compliance with the Act.

53. Every Insurer which relies on third party shall-

- (a) have internal policies and procedures which enable the mitigation of money laundering and terrorist financing risks to the international financial system, including those from countries that have been identified by the Financial Action Task Force as having strategic deficiencies in anti- money laundering and suppression of terrorist financing policies;
- (b) have regard to information available on the level of country risk, when determining the country of a third party to be relied on.

PART III

RECORD KEEPING

54. Every Insurer shall maintain all records of business relationships entered in to by the Insurer including any insurance policies, business correspondence and documents relating to transactions, in particular, information and documents obtained during the CDD process, documents used to verify the identity of customers and beneficial owners, and results of any analysis undertaken.

55. The records shall be maintained up-to-date and be kept in original or copies with the Insurer's attestation.

56. Every Insurer shall retain the records for a minimum period of 6 years as specified in the Act. Where any record is subject to an on-going investigation or litigation or required to be produced in a court of law or before other appropriate authority such record shall be retained by the Insurer until such time the Insurer is informed by the relevant authority that such records are no longer required.

57. Every Insurer shall maintain the relevant records in a form that is admissible as evidence in a court of law and make such record available to the supervisory authorities and law enforcement authorities in a timely manner specified by such authorities.

PART IV

CUSTOMER SCREENING

58. Every Insurer shall verify whether any customer, prospective customer or beneficiary appears on any list of designated persons or entities issued under any regulation made in terms of the United Nations Act, No. 45 of 1968, with respect to any designated list on targeted financial sanctions related to terrorism and terrorist financing and proliferation of weapons of mass destruction and its financing or whether such customer, prospective customer or beneficiary acts on behalf of or under the direction of such designated persons or entities or for the benefit of such designated persons or entities.

59. In these rules –

“Act” means the Financial Transactions Reporting Act, No. 6 of 2006;

“beneficiary” means a natural or legal person, or a legal arrangement, or a category of persons who will be paid the insurance policy proceeds if or when an insured event, which is covered by the insurance policy, occurs;

“beneficial owner” means a natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is being conducted and includes the person who exercises ultimate effective control over a legal person or a legal arrangement;

“Board of Directors” means the governing body or the group of directors of an Insurer, and in relation to an Insurer incorporated outside Sri Lanka means the senior management authority of such institution;

“customer” in relation to a transaction or an insurance policy includes-

- (a) the person in whose name a transaction or an insurance policy is arranged, opened or undertaken;
- (b) a signatory to a transaction or an insurance policy;
- (c) any person to whom a transaction or an insurance policy has been assigned or transferred; or
- (d) any person who is authorized to conduct a transaction

“close associate” includes –

- (a) a natural person having joint beneficial ownership of legal entities and legal arrangements, or any other close business relationship; and
- (b) a legal person or legal arrangement whose beneficial owner is a natural person and is known to have been set up for the benefit of such person or his immediate family members;

“existing customer” means a customer who has commenced a business relationship on or before these rules come into force;

“Financial Action Task Force” means an independent inter-governmental body that develops and promotes the policies to protect the global financial system against money laundering, terrorist financing and financing for proliferation of weapons of mass destruction;

“financial group” means a group of companies that consists of a parent company or other type of a legal person, exercising control and coordinating function over the rest of the group, for the application of group supervision under the anti-money laundering and suppression of terrorist financing policies and procedures, together with branches and subsidiaries that are subject thereto;

“immediate family member” includes the spouse, children and their spouses or partners, parents, siblings and their spouses and grandchildren and their spouses;

“legal person” means any entity other than a natural person that is able to establish a permanent customer relationship with an Insurer or otherwise owns property and includes a company, a body corporate, a foundation, a partnership or an association;

“legal arrangement” includes an express trust;

“majority-owned subsidiary” means a subsidiary of a group of companies of which fifty *percent* or more of the shares are owned by the parent company;

“money laundering” means the offence of money laundering in terms of section 3 of the Prevention of Money Laundering Act, No 5 of 2006;

“person” means a natural or legal person and includes a body of persons whether incorporated or unincorporated and a branch incorporated or established outside Sri Lanka;

“politically exposed person” means an individual who is entrusted with prominent public functions either domestically or by a foreign country, or in an international organization and includes a head of a State or a Government, a politician, a senior government officer, judicial officer or military officer, a senior executive of a State owned Corporation, Government or autonomous body but does not include middle rank or junior rank individuals;

“risk based approach” in relation to the application of CDD measures to manage and mitigate money laundering and terrorist financing risks, means the use of simplified CDD measures in the case of customers with lower risk levels and the use of enhanced CDD measures in the case of customers with higher risk levels;

“suspicious transaction report” means a report of a suspicious transaction or attempted transaction as per section 7 of the Act;

“terrorist financing” means an act constituting an offence connected with the financing of terrorism under the Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005;

“threshold report” means a report under section 6 of the Act.

SCHEDULE

[Rules 26 and 41]

(1) Individual Customers:-

(a) The following information shall be obtained: –

(a1) In the case of all customers–

(i) Full name as appearing in the identification document;

- (ii) Official personal identification or any other identification document that bears a photograph of the customer(ex:national identity card, valid passport, or valid driving licence) ;
- (iii) Permanent address as appearing on the identification document. If residential address differs from the permanent address residential address shall be supported by a utility bill not over three months old or any other reliable proof of residence. e.g.Utility bills are to be specified as electricity bill, water bill and fixed linetelephone operator's bill. No post-box number shall be accepted except for State owned enterprises. In the case of 'C/o', property owner's consent and other relevant address verification documents are required to be obtained;
- (iv) Telephone number, facsimile number, and e-mail address (if available);
- (v) Date of Birth;
- (vi) Nationality ;
- (vii) Occupation, business, designation held and the name of the employer and geographical areas involved (if available);
- (viii) Purpose for which the insurance policy is obtained;
- (ix) Expected turnover/volume of business ;
- (x) Expected mode of transactions;
- (xi) Satisfactory reference, as applicable ;and
- (a2) In the case of non-resident customers-
 - (i) The reason for obtaining the insurance policy in Sri Lanka;
 - (ii) Name, address and the copy of Passport of the person or persons authorized to give instructions;
- (b) The following documents shall be obtained (each copy shall be verified against the original)
 - (i) Copy of identification document;
 - (ii) Copy of address verification documents;
 - (iii) Copy of the valid visa/permit in the case of policies for non-national customers.

(2) Proprietorship/Partnership:-

- (a) The following information shall be obtained:-
 - (i) Full names of the partners or proprietors as appearing in the business registration document;
 - (ii) Nature of the business;
 - (iii) Registered Address of the registered place of business or the principal place of business;
 - (iv) Identification details of the proprietor/partners as in the case of individual accounts;

- (v) Contact telephone, fax numbers;
- (vi) Income Tax file number;
- (vii) The extent of the ownership controls;
- (viii) Other connected business interests;
- (b) The following documents shall be obtained (each copy shall be verified against the original)
 - (i) Copy of the business registration document;
 - (ii) Proprietors' information / Partnership Deed;
 - (iii) Copy of identification and address verification documents.

(3) Corporations/Limited Liability Company:-

- (a) The following information shall be obtained: -
 - (i) Registered name and the Business Registration Number of the institution;
 - (ii) Nature and purpose of business;
 - (iii) Registered address of the principal place of business;
 - (iv) Mailing address, if any;
 - (v) Telephone/Fax/E-mail;
 - (vi) Income Tax File Number;
 - (vii) Bank references (if applicable);
 - (viii) Identification of all Directors as in the case of individual customers;
 - (ix) List of Major shareholders with equity interest of more than ten *percent*;
 - (x) List of subsidiaries and affiliates ;
 - (xi) Details of Names of the Signatories;

Note: In the case of companies listed on the Stock Exchange of Sri Lanka licensed under the Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987 or any other stock exchange subject to disclosure requirements ensuring adequate transparency of the beneficial ownership, the Insurer may use the information available from reliable sources to identify the Directors and Major Shareholders;

- (b) The following documents shall be obtained (each copy shall be verified against the original):-
 - (i) Copy of the Certificate of Incorporation;

- (ii) Copy of Form 40 (Registration of an existing company) or Form 1 (Registration of a company) under the Companies Act, No. 7 of 2007 (hereinafter referred to as the “Companies Act”) and Articles of Association;
- (iii) Board Resolution authorizing to obtain the insurance policy;
- (iv) Copy of Form 20 (Change of Directors/Secretary and Particulars of Directors/Secretary) under the Companies Act;
- (v) Copy of Form 44 (Full address of the registered or principal office of a company incorporated outside Sri Lanka and its principal place of business established in Sri Lanka) under the Companies Act;
- (vi) Copy of Form 45 (List and particulars of the Directors of a company incorporated outside Sri Lanka with a place of business established in Sri Lanka) under the Companies Act;
- (vii) Copy of the Board of Investment Agreement if a Board of Investment approved company;
- (viii) Copy of the Export Development Board (EDB) approved letter if EDB approved company;
- (ix) Copy of the certificate to commence business if a public quoted company;
- (x) Name of the person or persons authorized to give instructions for transactions with a copy of the Power of Attorney or Board Resolution, as the case may be;
- (xi) Latest audited accounts if available.

(4) Clubs, Societies, Charities, Associations and Non- Governmental Organizations:

(a) The following information shall be obtained: -

- (i) Registered Name and the Registration Number of the institution ;
- (ii) Registered address as appearing in the Charter, Constitution *etc.*;
- (iii) Identification of at least two office bearers, signatories, administrators, members of the governing body or committee or any other person who has control and influence over the operations of the entity as in the case of individual accounts;
- (iv) Committee or Board Resolution authorizing to obtain the insurance policy;
- (v) The source and level of income/funding;
- (vi) Other connected institutions/associates/organizations;
- (vii) Telephone/Facsimile numbers/e-mail address.

(b) The following documents shall be obtained and be verified against the original:-

- (i) Copy of the registration document/constitution, charter *etc.*;
- (ii) Board Resolution authorizing to obtain the insurance policy;
- (iii) Names of the persons authorized to give instructions for transactions with a copy of the Power of Attorney or Board/ Committee Resolution ;

(5) Trusts:-

- (a) The following information shall be obtained: -
- (i) Identification of all trustees, co-trustees, author of the trust and beneficiaries in case of trusts as in the case of individual policies;
 - (ii) Whether the customer is acting as a trustee, nominee, or other intermediary;
- (b) The following documents shall be obtained (each copy should be verified against the original)
- (i) Copy of the Trust Deed, as applicable;
 - (ii) Particulars of all individuals.

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