

# **AIA INSURANCE LANKA LIMITED - ANTI-MONEY LAUNDERING POLICY**

## **1. Purpose and Scope**

This policy outlines AIA Insurance Lanka Limited (AIA SL) commitment to preventing Money Laundering (ML), Terrorist Financing (TF), and proliferation financing, in compliance with:

- Financial Transactions Reporting Act No. 6 of 2006 (FTRA)
- Prevention of Money Laundering Act No. 5 of 2006 (PMLA)
- Convention on the Suppression of Terrorist Financing Act No. 25 of 2005 (CSTFA)
- Insurer Customer Due Diligence Rules No. 1 of 2019

This policy applies to all employees, agents, intermediaries, and third-party service providers.

## **2. Governance and Oversight**

AIA Sri Lanka's AML/CFT program is governed by a robust compliance framework, with ultimate oversight and responsibility resting with the Board of Directors. The Board ensures that the AML/CFT strategy aligns with regulatory expectations and risk appetite.

Key roles include:

- Chief Risk and Compliance Officer: Serves as the designated Compliance Officer, responsible for day-to-day implementation, monitoring, and reporting of AML/CFT activities.
- Senior Management: Supports the Compliance Officer in resource allocation, policy enforcement, and escalation of high-risk issues.
- Internal Audit: Conducts independent reviews of AML/CFT controls and processes.
- Compliance function: Oversees policy updates, risk assessments, and regulatory engagement.

This governance structure ensures accountability, transparency, and continuous improvement of the AML/CFT framework.

## **3. Risk-Based Approach**

We adopt a risk-based approach to identify, assess, and mitigate ML/TF risks across:

- Customer types (e.g., PEPs, legal entities)
- Products (e.g., single premium policies)

## **AIA INSURANCE LANKA LIMITED - ANTI-MONEY LAUNDERING POLICY**

- Distribution channels (e.g., bancassurance, digital)
- Geographic exposure

Risk profiling is conducted at onboarding and reviewed periodically.

### **4. Customer Due Diligence (CDD)**

In line with the Insurer CDD Rule 2019, AIA Sri Lanka ensures:

- Identification and verification of customers and beneficial owners.
- Enhanced Due Diligence (EDD) for high-risk customers.
- Ongoing monitoring of customer relationships and transactions.
- Verification at redemption/surrender of policies.

CDD is mandatory:

- Prior to policy issuance.
- When there is suspicion of ML/TF.
- When there is doubt about previously obtained customer information.

### **5. Politically Exposed Persons (PEPs)**

PEPs are subject to Enhanced Due Diligence:

- Identification of domestic and foreign PEPs, their family members, and close associates.
- Approval from senior management before establishing a business relationship.
- Continuous monitoring of transactions and source of funds.

### **6. Suspicious Transaction Reporting (STR)**

- All employees must report suspicious activity to the Compliance Officer.
- STRs are submitted to the Financial Intelligence Unit (FIU) in accordance with FTRA.

Examples include but not limited to:

- Unusual premium payments
- Early policy surrenders with large payouts
- Use of third-party payments or offshore accounts

## **7. Record Keeping**

- All CDD records, transaction data, and STRs are retained for at least 6 years.
- Records are securely stored and retrievable for regulatory review.

## **8. Training and Awareness**

- Mandatory AML/CFT training is provided to all staff and agents.
- Specialized modules are available for high-risk roles.
- Training includes red flags, reporting obligations, and regulatory updates.

## **9. Sanctions Screening**

- AIA SL will 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.
- Business is prohibited with sanctioned individuals/entities.

## **10. Public Commitment**

AIA Sri Lanka is committed to maintaining the highest standards of integrity and transparency. This policy is publicly available to demonstrate our dedication to AML/CFT compliance and ethical conduct.