

YOUR OBLIGATIONS REGARDING ANTI-MONEY LAUNDERING

This document is not a complete summary of your obligations regarding anti-money laundering. This summary does not replace the wording of the Act; for a full description of your obligations, please refer to the [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act](#) directly.

You can also consult the following documents:

- [Guidance Manual to Combat Money Laundering and Terrorist Activity Financing](#), prepared by the Canadian Life and Health Insurance Association Inc. (CLHIA)
- Guidelines developed by the [Financial Transactions and Reports Analysis Centre of Canada \(FINTRAC\)](#).

1. Money laundering

What is money laundering? It is the process of attempting to conceal from Revenue Canada the source of money or assets derived from criminal activity (such as theft, fraud, extortion, drug trafficking) or cash paid "under the table" and then reintroducing it into the economy in order to make the proceeds appear legitimate. Money launderers use various financial institution products to disperse these funds and later make withdrawals.

2. Identity verification

Individual

Fields exist on our various forms to collect the required information; you must personally verify the identity by consulting an original and valid document issued by a provincial or federal government. A driver's license, birth certificate, passport, native status card or another similar document may be used. Foreign passports are also acceptable. You do not need to send a copy of the document to Assumption Life.

Corporation, beneficial ownership and charitable organization

You will also find, on our forms, fields that allow you to collect information on corporations (companies, organizations, etc. including charitable organizations). You must confirm the existence of any corporation or other entity that purchases an annuity or a life insurance policy. For a corporation, in addition to confirming its existence, you must also confirm its name and address and the names of the corporation's directors.

In confirming the existence of a corporation, you also have to take reasonable measures to obtain beneficial ownership information about the entity. Reasonable measures include asking the entity's representative questions regarding beneficial ownership meaning a person holding 25% or more of the shares or financial interests of the entity. These measures can also include consultation of a reliable source of publicly accessible information.

For charitable organizations, you must collect the following information:

- Is the charity registered with the Canada Revenue Agency in order to issue tax receipts?
- Does the charity collect or solicit donations from the public?

For non-registered immediate or deferred annuities, you must complete the [Body Corporate Identity Verification](#) form available on Assumption Life's Producer's Corner.

3. Politically exposed foreign person

If a client makes a lump-sum deposit of \$100,000 or more to an annuity or life insurance policy, you must take reasonable measures to determine whether the person with whom you are doing business is a politically exposed foreign person. You must complete the [Politically Exposed Persons Verification](#) form available on Assumption Life's Producer's Corner.

4. Third party determination

If you consider that a third party is involved, that is, that the client is acting on someone else's behalf for the purchase of an insurance policy, you must inform us. If the client openly admits that he or she is acting on behalf of a third party, you may specify it directly on the application, in the space indicated. However, if the client is evasive or if you suspect that he or she is acting for a third party, it is best not to note anything on the form signed by the client; it is preferable, in this case, to notify us separately by phone, e-mail or fax, and provide all known details.

You can refer to FINTRAC's [Guideline 6A: Record Keeping and Client Identification for Life Insurance Companies, Brokers and Agents](#) for detailed information on your obligations relating to verification of identity, politically exposed foreign persons and third party determination.

5. Reporting attempted or completed suspicious transactions

Your main responsibility as a representative is to report attempted or completed suspicious transactions when there are reasonable grounds to suspect that the transaction is related to money laundering or terrorist financing activities. Please consult Appendix A- *Indicators of suspicious transactions* at the end of this document to help you detect suspicious behaviors. This appendix gives you a list of common indicators of suspicious transactions that will be useful depending on the circumstances. If there is only one indicator, this doesn't necessarily point to a suspicious transaction; a judgment call will have to be made.

If you report a transaction, you must keep confidential the fact that you did. Disclosing to your client the fact that you have filed or will file a suspicious transaction is a breach of the Act. You may file your report directly with FINTRAC: www.fintrac.gc.ca.

If you suspect your client's transaction of being related to money laundering and you fail to declare it to FINTRAC, you may be subject to an administrative monetary penalty or be subject to criminal prosecution.

6. Other obligations under the Canadian AML/ATF

Should you have any questions regarding your obligations, you can contact FINTRAC as follows:

Website: <http://www.canafe-fintrac.gc.ca>

By mail: Financial Transactions and Reports Analysis Centre of Canada
234 Laurier Avenue West, 24th floor
Ottawa, Ontario K1P 1H7
CANADA

By phone (toll free): 1-866-346-8722

APPENDIX A - Indicators of suspicious transactions

The following excerpt from the CLHIA guidance manual to combat money laundering and terrorist financing is a list of general indicators that might lead a life insurance agent or broker to suspect that a transaction or attempted transaction is related to a money laundering or terrorist activity. Not one single indicator should be used to make that determination, but a combination of factors.

Common indicators

- Client pays policy premiums with cheques, postal money orders or bank drafts originating from different bank accounts from different branches or different banks.
- Client pays an unusual premium with money orders or bank drafts and this deposit seems unusual.
- Client deposits a large amount and cancels the transaction soon after, without much explanation.
- The premium paid from a single bank account seems large or unusual based on the account owner's income. If the bank account owner is not the policyholder nor the insured or annuitant, further investigation is required as to the purpose of the product sold and the reason why someone other than the owner is paying the premium.
- Unforeseen deposit of funds or abrupt withdrawal of funds.
- Several clients have the same address.
- Client uses different addresses for different Assumption Life products.
- Addresses on file are not legitimate; returned mail.
- Client shows no interest in the costs associated with termination of a policy or contract.
- Client who has other small policies or transactions based on a regular payment structure makes a sudden request to purchase a substantial policy with a lump sum payment.
- Client does not want correspondence sent to home address.
- The transaction does not appear to make sense or is out of keeping with usual or expected activity for the client.

Knowledge of reporting or record keeping requirements

- Client attempts to convince employee not to complete any documentation required for the transaction.
- Client makes inquiries that would indicate a desire to avoid reporting.
- Client has unusual knowledge of the law in relation to suspicious transaction reporting.
- Client seems very conversant with money laundering or terrorist activity financing issues.
- Client is quick to volunteer that funds are "clean" or "not being laundered."
- Client appears to be structuring amounts to avoid record keeping, client identification or reporting thresholds.
- Client appears to be collaborating with others to avoid record keeping, client identification or reporting thresholds.

Identity documents

- Client produces seemingly false identification or identification that appears to be counterfeited, altered or inaccurate.
- Client refuses to produce personal identification documents.
- Upon request, client only submits copies of personal identification documents instead of originals.
- Client wants to establish identity using something other than his or her personal identification documents.
- Client's supporting documentation lacks important details such as a phone number.
- Client inordinately delays presenting corporate documents.
- All identification presented is foreign or cannot be checked for some reason.
- All identification documents presented appear new or have recent issue dates.
- Client presents different identification documents at different times.
- Client alters the transaction after being asked for identity documents.

Economic purpose

- Transaction seems to be inconsistent with the client's apparent financial standing or usual pattern of activities.
- Transaction is unnecessarily complex for its stated purpose.
- Activity is inconsistent with what would be expected from declared business.
- No business explanation for size of transactions or cash volumes.
- Transaction involves non-profit or charitable organization for which there appears to be no logical economic purpose or where there appears to be no link between the stated activity of the organization and the other parties in the transaction.