



TURKS & CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

ANNUAL COMPLIANCE OFFICER'S REPORT TO THE BOARD OF DIRECTORS Domestic¹ Insurance Companies

The Financial Services Commission (the Commission), in an effort to enhance best practices in the Financial Services Industry and improve on-going supervisory effectiveness, hereby requires all licensed Domestic Insurance Companies to submit to the Commission, annually, evidence of reports to directors made by the Compliance Officers, including Money Laundering Compliance Officers, with respect to the compliance function of the licensee as required by Financial Services Commission Ordinance (FSCO), The Proceeds of Crime Ordinance (POCO), Anti-Money Laundering and Prevention of Terrorist Financing Regulations (AML Regs) and Anti-Money Laundering and Prevention of Terrorist Financing Code (AML Code).

Section 31 of the FSCO requires licensees to appoint a Compliance Officer who is charged with the responsibility to report to the Board of Directors with respect to the licensee's compliance function.

Section 9 of the AML Code requires Money Laundering Compliance Officers to report regularly and directly to the Board and have regular contact with the Board.

The Commission hereby directs that the aforementioned Reports to the Board of Directors shall be made when deemed necessary but in any event not less than once annually.

In complying with this requirement all licensed Domestic Insurance Companies shall submit to the Commission relevant evidence of the Compliance Reports to the Board of Directors that have been made pursuant to Section 31 of the FSCO and Section 9 of the AML Code together with the licensee's audited financial statements. The Commission reserves the right to seek additional information from licensed Domestic Insurance Companies where in the event the submitted relevant evidence is deemed inadequate and in such event may require additional evidence on the submission of the licensee's report.

¹ Domestic Insurer: An insurer whose principal objective is to insure risks in relation to:

- (a) a person who, at the time of effecting the contract, is ordinarily resident in the Islands; or
- (b) property that, at the time of effecting the contract, is in the Islands or, in the case of a vehicle, vessel or aircraft, or other movable property is ordinarily based in the Islands.

Domestic Insurance Companies may be liable to enforcement action for failure to comply with this requirement.

Notice of this requirement is made pursuant to Section 23 of the FSCO.

Financial Services Commission
2nd February 2015