COMMENTS/PROPOSED AMENDMENTS ON THE DRAFT BILL:
FINANCIAL INTELLIGENCE AMENDMENT BILL
FEBRUARY 2023

#	INSTITUTION	PROVISION OF AMENDMENT BILL	COMMENT	PROPOSED AMENDMENT	RESPONSE FROM INITIATOR
1	Marlene Miller Compliance Practitioners	General Comment	Generally, throughout the text and content of the proposed Amendment FIA Bill, the commitment to all three subject matters, i.e. Money Laundering (ML), the Financing of Terrorism (TF) as well as the Financing of Proliferation activities (PF), is not applied consistently as required be done in accordance with the Prevention and Combating of Terrorist and Proliferation Activities Act, Act No. 4 of 2014 (PACOTPAA).	That references to ML/TF be expanded to include PF throughout the course of the FIA (alternatively AML/CFT/CFP). For example: Proposed section 21(1A) to be amended to read…….”assess the risks of money laundering and financing of terrorism and proliferation activities related to the development….. For example: Proposed amendment to section 52(1)(c) to be amended to read “……including whether it has been subject to a ML/TF/PF investigation or regulatory action. For example: Proposed amendment to section 39A(3) to be amended to read “…….. majority owned subsidiaries apply measures against money laundering, terrorist financing, proliferation financing, and	The proposed changes will be incorporated into to the amendment Bill.

				handling of proceeds of crime….."	
2	Fashion Retailers (Pty) Ltd	General Comment	Risk-based approach.	The Amendment cannot seek to follow a risk-based approach in some sections while seek to be prescriptive in others.	More clarity is required to understand the perceived prescriptive approach in some sections. The amendments proposed are aimed at addressing deficiencies raised regarding Namibia's compliance with International Best Practices (FATF Standards) in the Mutual Evaluation Report.
3	Fashion Retailers (Pty) Ltd	Overall comment	Beneficial ownership	Guidance is required regarding the level of detail required where beneficial owners of companies are listed on a stock exchange (e.g. shareholders are made up of a number of individuals).	A new beneficial ownership definition is proposed in section 1 to substitute the current definition. Further guidance will be provided by the FIC regarding the practical implementation of the obligations related to the identification and verification of BOs.
4	Fashion Retailers (Pty) Ltd	Overall Comment	Time given for public consultation is wholly insufficient	The time period for comment should be extended to allow for proper public consultation.	The FIC notes the concerns regarding the limited time to provide comments. The deadlines are derived from the overarching timelines for submission of legislative amendments to Parliament (in terms of the Cabinet approved Action Plan) and overall progress update which Namibia

					must provide to the FAFT ICRG Joint Group in October 2023. As such, laws must be passed by June 2023 and in order for Namibia to pass the laws timeously, the amendments and Bills must be tabled to National Assembly by the first week of April 2023. Failure to meet the timelines will result in the country's inability to report progress and grey-listing of Namibia by the FATF.
5	BAN	General Comment: Newly Proposed Section	The sharing of information is a critical component for effective AML/CFT/CPF measures and controls. AIs, particularly Banks, have expressed their desire to enhance cooperation and share information with each other specifically to strengthen their CDD/ EDD and customer monitoring interventions. There are however legal prohibitions on the sharing of customer information between some AIs – like Banks. During the FIC/BAN Forum workshop in December 2022 - a decision was reached that an amendment to the FIA could be included to overcome these legal impediments. It is proposed that a provision be included in the Bill, that would empower the Director, to	"Notwithstanding the provisions of section 64 of the Banking Institutions Act, (No. 2 of 1998) or any other secrecy provision in similar legislation prohibiting the sharing of information amongst AIs, the Director may, in furtherance of the objects of this Act, prescribe the nature of and manner in which, information may be shared between AIs, to strengthen efforts to combat money laundering, terrorist financing or proliferation financing activities."	A new provision in these terms has been incorporated as section 44A.

			prescribe (by notice in the gazette) the nature and manner in which information may be shared between AIs. The sharing of personal information remains a sensitive matter and therefore the proposed provision must be reasonable and within legally permissible range, not to negate/unlawfully infringe on the rights of customers.		
6	Santam Namibia	Section 1: Definition of Accountable Institutions	The inclusion of agents. Currently agents are tied agents and can be seen as "employees" of the short-term insurer as they act on behalf of the insurer, which automatically means they need to comply with FIA		As per discussions at face-to-face public consultations, the word "independent" has been included to clarify that for Namibian purposes, the agent referred to is an independent one.
7	PPS Namibia	Section 1: Definition of Accountable Institutions	In terms of "agents" being included as accountable institutes as defined. Insurance agents are employed by Insurers (who are accountable institutes themselves) hence controls and measures in place by the insurer apply to insurance agents.	Remove "…including agents" in definition of "accountable institution"	See above response.
8	NASIA	Section 1 "Accountable institution" means a person or institution referred to in Schedule 1, including branches, associates or subsidiaries outside of that person or	In terms of "agents" being included as accountable institutes as defined. Insurance agents are employed by Insurers (who are accountable institutes themselves) hence controls and measures in place by the insurer apply to insurance agents.	Remove "…including agents" in definition of "accountable institution."	See above response in line 6.

		institution and a person employed or contracted by such person or institution, including agents;			
9	Prosperity Health	"Section 1 – Definition of Close Associates of Prominent Influential Person"	Reference is made to the consideration to individuals who are 'closely connected' to a Prominent Influential Person. Further reference is made to such connection being either 'socially or professionally.' Our contention is how the criteria for being 'socially connected' to a Prominent Influential Person is to be established?	For the FIC to provide clarity via the Regulations.	The provision in the amendment is aligned to the FATF definition of PEP. The FIC will address the need for further guidance on the treatment of Close Associates of PIPs. Same will be provided by issuing subordinate legislation to explain the practical application of the newly introduced provisions.
10	Momentum Metropolitan Namibia Limited (MMN Group)	Section 1 (3) Insertion of the definition of 'Close associates of Prominent Influential Person' means individuals who are closely connected to a Prominent Influential Person, either socially or professionally, and include but not limited to:	The definition includes the words "…either socially, or professionally…" Both of these words are not defined thus the extent thereof is not properly determined. This may pose a challenge. Furthermore, the requirement for individuals known to have any close business relationships with a PIP, also raises some questions. For something to be known – it suggests that this type of information should be publicly available. It is not clear what would constitute such 'known' relationships in the absence of publicly available	Consider removing "socially or professionally" from the definition, and limit it to business relationships, or define how the extent of socially or professionally should be determined. Clarification sought: Will a declaration from the client / potential client suffice to discharge this obligation of having 'known' about the relationship, in the absence of publicly available information?	With regard to the definition of a close associate, this is derived and aligned to the FATF requires that both social and professional relationships are provided for. The requirement is for reasonable measures to be applied by AIs. Further guidance on the implementation of these obligations will be availed with the issuance of subordinate instruments.

		(i) individuals known to have any close business relationships with a Prominent Influential Person, such as a Prominent Influential Person's business partners or identified as the owners and/or beneficial owners of a legal person or legal arrangement which is associated with a PIP.	information in this regard. The test to be applied would typically be whether the assessor should reasonably have known of the close business relationship between the PIP and his/her 'close associate'. This may be very hard to determine in practice if such information is not publicly available.		
11	Namibia Asset Management	Section 1: The definition of a Close Associate of a Prominent Influential Person	Is there guidance that allows uniformity in determining whether a person is a PIP? E.g. definition, and/or checklist/criteria Does it include a person/s in an acting position? Does the mere fact that a PIP/close associate is in some way associated or linked with an entity necessarily justify the classification and treatment of that legal entity client as High risk. Is there a time lapse on how long should one remain a PIP(both domestic and foreign) after they have vacated the position?	Additional guidance on PIP. Key is to ensure uniformity across entities and to meet expectations of the regulator.	The existing Directive and Guidance Note on PEPs will be revised and aligned to the new provisions to ensure AIs are provided with the necessary guidance on the implementation of this obligation. With regard to the time lapse, a provision has been incorporated, empowering the Director of the FIC to make a determination in this regard.

			Is there an agreed method for determining the time period for which an individual and close associates be regarded as a PIP after they have left the position that gave rise to their PIP status		
12	BAN	Insertion of the definition of 'Close associates of Prominent Influential Person' means individuals who are closely connected to a Prominent Influential Person as listed in Schedule 5, either socially or professionally, and includes	The definition includes the words "…either socially, or professionally…" Neither socially or professionally are defined and thus the extend thereof is not properly determined. Whilst the addition parts (i) and (ii) to the definition aim to add context, they do not address the ambit of socially or professionally. It will be very hard to know just how "social" a person has to be with a Prominent Influential Person to qualify as a Close Associate.	Suggest either removing "socially or professionally" from the definition, thus limiting it to business relationships, or Defining / Clarifying how the extent of socially or professionally should be determined	With regard to the definition of a close associate, this is derived and aligned to the FATF requires that both social and professional relationships are provided for. The requirement is for reasonable measures to be applied by AIs. Further guidance on the implementation of these obligations will be availed with the issuance of subordinate instruments.
13	NASIA	Section 1 "Family member of Prominent Influential Persons' are individuals who are related toa Prominent Influential Person either directly or through marriage or similar (civil) forms	In the absence of a reliable, publicly available and therefore equitable source for this information, an AI cannot reasonably be expected to know whether a customer is a family member, as defined, of a PIP, unless the relationship is explicitly disclosed as such by the customer.	Amend by inserting "are individuals who are known to be related to a Prominent Influential Person" We propose that officials holding prominent public positions publicly declare their family member as defined by the Act.	With regard to the definition of a Family Member, this is derived and aligned to the FATF requirement. The requirement is for reasonable measures to be applied by AIs. Further guidance on the implementation of these obligations

		of partnership and include, but is not limited to: (i) a spouse or partner of the Prominent Influential Person; (ii) a sibling of a Prominent Influential Person; (iii) children of Prominent Influential Person and their spouses or partner		It is our view that a public register of these family members would assist accountable institutions with the screening process.	will be availed with the issuance of subordinate instruments. Namibia does not have a public register of PIPs. Guidance on the scope of what should be considered to be included will be provided with the issuance of subordinate instruments.
14	Momentum Metropolitan Namibia Limited (MMN Group)	Section 1 (7) Definition of Family Member of Prominent Influential Person, sub section (i) A spouse or partner of the Prominent Influential Person (ii) a sibling of a Prominent Influential Person	The term “partner” must be defined. The term “sibling” must be defined, this to avoid questions on whether cousins, or step siblings are included or should be excluded.	Clearly define the term “partner”. Clearly stating Brothers and Sisters instead of sibling or stating that cousins and or step siblings are excluded.	The ordinary dictionary meaning of the term should be applied, however, further guidance on the practical application/implementation (i.e. examples) of a partner or sibling will be provided in subordinate legislation.
15	Marlene Miller Compliance Practitioners	Section 1: Definition of a Family Member of a PIP	A definition is proposed to be inserted in the FIA to identify a “family member of a PIP”. The definition includes a partner of the PIP as well as children of the PIP and their spouses or partners. No definitions have been allocated to the meanings of partners and children of PIPs for purposes of interpretation of the FIA.	Definitions for partners and children must be provided for in the primary law.	The ordinary dictionary meaning of the term should be applied, however, further guidance on the practical application/implementation (i.e. examples) of a partner or sibling will be provided in subordinate legislation.

			The definitions therefore remain vague and may lead to doubt and/or uncertainty in the interpretation and application thereof.		
16	BAN	Definition of Family Member of Prominent Influential Person, sub section (ii) a singling of a Prominent Influential Person	Spelling of “singling”	Correct the spelling to “sibling”.	Correction has been incorporated.
17	BAN	Definition of Family Member of Prominent Influential Person, sub section (ii) a singling of a Prominent Influential Person	The term “sibling” is not defined and the question of whether cousins are included may arise	Clearly stating Brothers and Sisters instead of sibling, or stating that cousins are excluded	The generally accepted dictionary meaning of a sibling should be applied, which excludes cousins. However, further guidance on the meaning of a sibling will be provided in subordinate legislation and guidance.
18	NASIA	Section 1: Customer Due Diligence	Establishing the identity of a client, the identity of the client’s beneficial owners, understanding the ownership and control structure of the client in respect of legal persons and arrangements, obtaining information on the purpose and intended nature of the business relationship are significantly different process from that of monitoring all transactions of the client against the client’s profile - the latter is performed over the cycle of the customer's business relationship with the AI/RI and should not be required at onboarding.	Remove reference to "monitoring all transactions of the client against the client’s profile" from the definition of customer due diligence.	The term has been removed from the definition, and a definition for monitoring has been inserted in section 1 in terms of the proposed amendment.

			It is recommended that the definition of "monitoring" be inserted under ongoing due diligence under section 24 of the Act.		
19	BAN	Section 1: Definition of "Customer Due Diligence"	The term client's profile is not defined. This term is elaborated on in the new monitoring definition, but it is not clearly linked / defined -alignment is required	Suggest including a clear definition of what client's profile means and that it is not just the risk profile, but the AI's knowledge of the client as per CDD and the commercial or personal activities of the client.	The misalignment between terminology of client profile is noted, instead of introducing a new definition, the words "client profile" will be replaced with "knowledge of the client", which is consistent with the rest of the Act.
20	Momentum Metropolitan Namibia Limited (MMN Group)	Section 1: Definition of Customer Due Diligence	The term client's profile is not defined.	Including a clear definition of what client's profile means, this to holistically mean the AI's knowledge of the client as per CDD and the business or personal activities of the client.	See response above in line 19.
21	BAN	Section 1: Definition of "Higher Risk Jurisdiction"	Definition is vague and will not be easily ascertainable to ensure consistent application. To ensure adequacy and consistency of the jurisdictions to be considered for purposes of this definition, it is proposed that the FIC in terms of Section 9(2)(e) of the Act, determines the list of High-Risk Jurisdictions.	"Higher Risk Jurisdictions means jurisdictions that carries a higher risk for money laundering or terrorist financing or proliferation financing as determined by the Centre."	It is proposed that the definition will be moved to section 35 to apply for purposes of that provision and further be amended in the terms proposed to read as follows: "Higher Risk Jurisdictions means jurisdictions that carry a higher risk for money laundering or terrorist financing or proliferation financing <u>as determined by the Centre</u>."

			FIC can issue a Determination to Industry and keep a list of such jurisdictions on the FIC website.		
22	Momentum Metropolitan Namibia Limited (MMN Group)	Section 1 (8) Definition of "Higher Risk Jurisdiction"	In order for all AI's to approach this and apply the definition correctly, the higher risk jurisdictions should be standardized for the country. Either by considering the FATF higher risk jurisdictions or what the country deems to be higher risk jurisdictions.	Propose adding to the definition the words "communicated by the FIC" and in the then the FIC can distribute what is viewed by Namibia as a country a list of higher risk jurisdictions which should serve as a minimum standard.	See comment above in Line 21
23	Marlene Miller Compliance Practitioners	Section 1: Definition of "Higher Risk Jurisdiction"	A definition is proposed to be inserted for "higher risk jurisdictions", to assign specific meaning to the term for purposes of the interpretation of the FIA. According to the FIC's Explanatory Memorandum on the proposed amendments to the FIA1, Malawi's legislation was applied to inform change in this regard. Malawi's law however restricts the meaning of high-risk jurisdictions, to include such jurisdictions identified by the FATF. The proposed amendments to the FIA in this regard, as well as the proposed definition inserted for "higher risk jurisdictions" do however not contain a similar limitation to	For the avoidance of doubt and provision of certainty, it is recommended that Malawi's (more limited) approach be applied to the meaning assigned to "higher risk jurisdictions", by relating it to FATF identified high risk jurisdictions only, and that the definition of "higher risk jurisdictions", and the proposed corresponding wording used in section 24 (2)(c), be aligned to read consistently. If this cannot be done in the primary legislation, it is suggested that it be stipulated in secondary legislation, a directive or guidance note.	See comment above in line 21

			FATF identified jurisdictions (only / as a minimum).		
24	BAN	Section 1: Definition of "Higher Risk Jurisdiction"	There may be practical discrepancies in the application of Higher Risk Jurisdictions if it is not standardized for the country. E.g. AI 1 views country X as a higher risk, whilst AI 2 views country X as only a medium high risk	Propose adding to the definition the words "communicated by the FIC" and in the regulations then the FIC can distribute what is viewed by Namibia as a country a list of higher risk jurisdictions which should serve as a minimum standard	See comment above in line 21
25	Prosperity Health	Section 1 – Definition of Prominent Influential Person"	The definition of Prominent Influential Person makes reference to 'including persons who previously occupied prominent public positions.' There is no prescriptive period indicated as to how long, since vacating a public position, a person is to be considered a Prominent Influential Person. It is common cause 'influence' diminishes over time, therefore a period should be prescribed after which a person will no longer be considered a Prominent Influential Person.	A conservative approach of prescribing a period of 15 years since vacating a public position.	A provision has been incorporated which will empower the Director to specify how PIPs no longer entrusted with a prominent role, as defined, may be handled.
26	Prosperity Health	"Section 1 – Definition of Prominent Influential Person"	How long does one remain a PIP or a PEP especially in the light of persons who previously occupied prominent public positions?	Consider applying a reasonable time frame there like for instance 10 to 15 years.	See above response in line 25

29	NASIA	Section 1 “Prominent Influential Person”	The definition is too broad. We propose that the definition is limited to specified public positions which constitute Prominent influential persons. The inclusion of "persons who previously occupied prominent public positions but have since vacated such positions or functions" implies no sunset period for such persons and that their status remains for life irrespective of their position, affecting RCAs as well.	Guidance should be provided in the treatment of PIPs and their RCAs who no longer hold such positions, as the requirements of S23A would not necessarily be applied to those who previously held a PIP position but no longer pose a risk. We recommend the following definition: “Prominent Influential Person” means a person in a prominent public position or function domestically or in a foreign country, as prescribed by the Minister, including — heads of state, heads of government, ministers and deputy or assistant ministers; members of parliaments; members of supreme courts, of constitutional courts or of other high level judicial bodies; members of courts of auditors or of the boards of central banks; ambassadors, and high-ranking officers in the armed forces; and members of the administrative, management or supervisory bodies of State-owned enterprises; including persons who previously occupied these prominent public positions but	The definition is aligned to the FATF requirements in recommendation 12. It is our view that the listing of examples is not appropriate in primary legislation. The current Directive and Guidance Note on PEPs provide examples of persons that are considered a PEP, and same will be replaced with subordinate legislation and guidance, should the proposed provisions for PIPs be accepted.

				have since vacated such positions or functions. This also includes persons who are or have been entrusted with a prominent public function by an international organization.	
30	BAN	Definition of "Promptly" in the Bill	The definition "promptly" is specifically intended for interpretation of its use in Section 33. However, the word promptly is also used in section 35(17) of the Act- "The supervisory body or regulatory body must report **promptly** to the Centre any information received from any accountable or reporting institution related to transactions or activities that could be treated as an offence under this Act." The general definition may therefore have unintended effect. We propose that the definition reference its application to section 33 only.	"Promptly" For purposes of section 33 means without delay upon having reasonable grounds or a reasonable basis to suspect or believe a transaction or activity involves unlawful activities, money laundering or financing of terrorism or proliferation, but not later than three working days after the suspicion arose.	The definition will be moved to section 33, to limit application to that provision and prevent an unintended consequence of the insertion.
31	BAN	Section 1: Definition for Promptly	The three days' time period is a significant reduction from the previous 15 days. Complying with such a shortened time period will prove challenging for analysts and will increase the volume of STRs being submitted to the FIC which will require cleansing, setting aside or being low priority because it will be safer to file a lower quality STR than not to file within the time period	Consider 5 days	The proposed amendment serves to oblige entities to report the Suspicious Transaction as soon as possible, as the country was found deficient with recommendation 20 of the FATF Standards. The FIC has reviewed requirements in the region, taking into account jurisdictions that have exited ICRG

					and were found compliant with the Standard. Having considered the practices in other jurisdictions, the FIC holds the view that a more conservative approach should be taken in this regard, as Namibia must be found compliant with the recommendation in order to evade greylisting (recommendation is part of the Big 6 Recommendations). The challenges regarding the limited time is noted, but full compliance with the Standard cannot be compromised at this stage. However, it is proposed that the definition be subjected to a minor amendment, to provide that the reporting must occur within 3 days that the suspicion was "formed", as opposed to "arose". This means that the transaction must be reported within 3 days of the matter being investigated, rather than after it was first flagged/an alert was issued on a monitoring system.
32	PPS Namibia	Section 1: Promptly	Suggest that the reporting period for STR's should at least be 5 days from date that suspicion arose.	Revise definition to: 'promptly' means without delay upon having reasonable grounds, or a reasonable basis, to suspect or	See above response in line 31.

				believe a transaction or activity involves unlawful activities, money laundering, or financing of terrorism or proliferation, but not later than **Five** working days after the suspicion arose.	
33	Santam Namibia	Section 1: Promptly	The definition of promptly of 3 days are too short.	Consider 5 working days.	See above response in line 31.
34	NASIA	Section 1: Promptly	The 3 working day limit for when the "suspicion arose" requires further explanation. Would this be after a transaction is detected, or after the transaction is flagged, and or investigated?	Recommended that at least 5 business days from date that suspicion arose to be allowed. Thus, this will limit unnecessary reporting to the authorities. Revise definition to: 'promptly' means without delay upon having reasonable grounds, or a reasonable basis, to suspect or believe a transaction or activity involves unlawful activities, money laundering, or financing of terrorism or proliferation, but not later than Five working days after the suspicion arose.	See above response in line 31
36	Momentum Metropolitan Namibia Limited (MMN Group)	Section 1: Promptly.	The three days' time period is a significant reduction from the previous 15 days. The recommended change may pose a serious challenge for analysts. The number of reports that will be submitted, will require more cleansing by the FIC, as analysts may end up over reporting due to the obligation to report within such a short period of time.	Consider 5 days to align to a more reasonable and pragmatic approach.	See above response in line 31.

37	BAN	Section 1: Definition of Single Transaction	The definition of Single Transaction has not been amended as discussed between the FIC and BAN at the 2022 Dec workshop	Amend the definition to clearly state that it includes cash deposits into a client's account by another person / 3rd party.	A draft provision will be considered for the amendment bill.
38	BAN	Section 1: Definition 'Specified Non-Profit Organisation'	The inclusion of the phrase "… *and which*…" into the definition creates a distinguishing qualifying criteria which is flexible and possibly changing in nature. It will be challenging to consistently and effectively identify these entities as the entity only becomes a SNPO if both the criteria in (i) and (ii) have both been met. This also means that a SNPO may lose its status as a SNPO if in the next year it does not do transactions which meet the criteria – although the definition is not clear on this aspect. The phrase " or a section of the public" is also vague and it may be uncertain as to how many beneficiaries comprise a "section of the public" is it 5, 10 or a 100?	If the intention of this definition is for the purpose registration with the FIC, it is proposed that it be more clearly stated as such either in the definition or a subsequent section to avoid confusion and creating the impression that AI's will be expected to identify SNPO's using the same conditions as per the current definition.	The proposed definition has been amended in the terms suggested.
39	BAN	Section 1: "Virtual Asset Service Provider"	By expressly stating "as a business", it excludes scenarios where a person(s) are dealing with virtual assets in an "informal manner" but for benefit of others e.g. an "investment club" or "virtual asset stokvel" which would claim that they are not doing so	Expanding the definition to include such informal arrangements as VASPs. Or	The proposed amendment to cater for more informal arrangements has been incorporated.

			as part of a “business” and just as part of a informal arrangement. The element of licencing is not part of this definition – this means that at it reads at the moment any person or legal person who does the activities in the definition is automatically a VASP. The definition creates the impression that AI’s will be expected to be able to identify VASPs according to the definition – if this is not the intention, it is proposed that it be stated more clearly either in this definition or a subsequent provision. Reference to the NAMFISA Act of 2021 – this Act is not in operation yet. Namibia Financial Institutions Supervisory Authority Act, No. 3 of 2001	including the element of licencing and that a VASP will only be a VASP for the purposes of FIA if they are duly licenced. This will also imply that persons who conduct VASP activities and who are not licensed will be committing an offence.	
40	BAN	Section 5: Application of Act to Master of High Court	The amendment does not include reference to the ownership and control structure / organogram of a trust. Although in principle the amendment does request the relevant information of the beneficial owners, it does not mean that the full structure will be provided which diagrammatically shows the parties.	Suggest including that in the event that a beneficiary of the trust is another trust or legal person, that an organogram also be provided to assist in the confirmation / identification of the beneficial owners	It is envisaged that the application of the BO definition will be dealt with by the framework governing trusts.
41	Momentum Metropolitan	Section 5 (6)	We assume that this refers to existing relationships / previously entered into transactions? Will there be a time frame	Clarify whether this exercise must be completed within a specified time frame?	The referred to provision has been removed in the amendment Bill.

	Namibia Limited (MMN Group)		within which such an exercise would need to be undertaken by the accountable institution?		
42	Internal	Section 9	Did we sufficiently provide for powers in relation to the new role envisaged under FIAD for LEA and Prosecutorial support?		It is our view that 9(1)(g) sufficiently provides for this function.
43	Internal	Section 11(1) Appointment and Removal of Director	The Board as proposed will have people from private sector which was raised as a concern in the MER. Why can this appointment not be left to the Minister only?	***11.*** *(1) The Minister,* ~~*after consultation with the* **[Council]** *Board,*~~ *must appoint a suitably qualified, fit and proper person as the Director of the Centre.*	The proposed amendment was introduced, following the advice from IMF, cautioning that we must mitigate the risk of real or perceived undue influence of a political appointee on the administration and governance of the FIC. In the absence of a "check" in terms of the law, nothing would prevent the Minister from unilaterally calling on such a security screening that is not based on reasonable grounds.
44	Internal	Section 11(4)	This function should solely be left to the Minister. This is to avoid private persons appointed to the board to have these powers. We only want the board to deal with administrative and governance issues of the FIC.	(4) The Director may at any time **[determined by the Minister]**, ~~upon recommendation by the **[Council]** Board,~~ be subjected to a further security screening investigation as contemplated in subsection (3)(a).	See above response in line 43
45	Internal	Section 11(5)		(5) The Minister, ~~upon recommendation by the **[Council]** Board~~, may **suspend or** remove the Director from office for duly justified reasons	See above response in line 43

46	BAN	Section 16A (1)(a) and (2) of the Bill – Establishment of the Board.	The Act should state that the members of the Board are appointed by the Minister. Either the Minister appoints the chairperson or the Board then elects a Chairperson which can be endorsed by the Minister and remove the provision that states the Governor of the Bank of Namibia is the Chairperson.	Align the section to allow the Minister to appoint the members of the board and allow for the appointment of the chairperson of the board by either the board or the Minister.	The provision has been amended to provide that the Minister appoints the chairperson and board members.
47	Internal	Section 16A (1) There is established for the purposes of this Act a Board which shall consist of (a) a Chairperson, who shall be the Governor of the Bank,	The Chairperson of the board should not be the same as the chair of council. Can we not get an independent person to chair the board?	The board should be chaired by an independent person.	The qualifications and experience of the chairperson have been further elaborated upon in the amendment provision.
48	Internal	Section 16 (c)	The board has few members	The board should at least be 7 people to be able to allow for a diversity of skills, and good balance and representation at board committee level. I think we may need a person with industrial psychology (or HR) background to the human resource matters and someone with Audit background as well.	The number of board members has been increased to 7.
49	Internal	Section 16	The bill does not provide for the following in respect of the Board of Directors: 1. Who will be the secretariat? 2. If the members will be paid		The proposed provisions will be incorporated.

			3. The time intervals for board meetings 4. The authority for the board to establish committees. 5. Resignation and vacancies 6. Fit and probity 7. The term of office 8. Does such board need gazetting 9. Committees of the board and their terms		
50	Internal	Section 16	(5) The functions of the Board shall be to – (a) advise the Centre concerning the performance of its functions; The board should be limited to only administrative and governance matter and not function related matters of the FIC. (5) The functions of the Board shall be to – (a) advise the Centre concerning the performance of its functions;		Further clarity is required.
51	Internal	Section 16(e)	The assurance reports should be recommended by the audit committee of the board and not the director.	(e) consider and endorse risk and assurance reports of the Centre on recommendation of the ~~Director~~ audit committee of the board; That means the bill should also require the establishment of an audit committee by the board	The proposed amendment has been incorporated.

53	Internal	16 (g)	Can this matter be left to the Minister? Is the Council still required to have three times a year I think as a policy advisory body 2 times a year should be sufficient	(g) ensure the Centre is run efficiently and in line with good corporate governance principles.	Unclear which provision is being referred to.
54	Internal	18. (1) The Minister must appoint members of the Council which consists of -	The Council is now envisaged to be a policy setting body for AML/CFT matters nationally and should therefore should also include as members of the Council: 1. the Master of the High Court 2. Director of the FIC	Council to include: 1. the Master of the High Court 2. Director of the FIC	Proposal has been incorporated into the Bill.
55	Internal	**19.** (1) The functions of the Council are to - (a) on the Minister's request or at its own initiative, advise the Minister on - (ii) the exercise by the Minister of the powers entrusted to the Minister under this Act;	(ii) the exercise by the Minister of the powers entrusted to the Minister under this Act; Council should not have any other powers than policy setting and coordination in terms of the FIA. Loosely interpreted this section means the Minister can authorize council to for example appoint the Director of the FIC.	This part must be removed so that Council may just remain a policy advisory body.	The Act empowers the Minister to take certain action related to policy making – for instance, the power to issue exemptions. This should still be provided for but will be qualified to limit the advice to those areas of policy and coordination.
56	Marlene Miller Compliance Practitioners	Section 21	Section 39 is proposed to be replaced by section 21 and the heading to be changed to "Risk Management, Risk Assessment and Risk-Based AMLCFT/CFP Programs. Significant changes in relation to this section includes the following:	That the proposed section 21 (2) as well as section 39A (3),(4) and (5) also be amended to delete [and reporting] institutions – for consistency.	Reporting Institutions should be required to register with the Centre in terms of section 21(2), however, reference of Reporting Institution will be removed where it is not appropriate.

			2.1 The distinction between Accountable and Reporting Institutions will be done away with and if there is an identified risk, the monitoring of certain sectors will be prescribed, alternatively, a threshold will be applied for certain sectors.		
57	Santam Namibia	Section 21.ss7	This section refers to reporting institutions whilst in ss 3 reporting institutions are strike through.	Remove RI from ss7 or include in ss3.	Reference to Reporting institution has been removed as suggested.
58	Fashion Retailers (Pty) Ltd	Sections 21(3), (4), (10) and (11)	These sections relate to the development of internal rules and customer acceptance policies. These documents are outdated and the lack of a clear risk-based approach is a concern.	Internationally, there is a move towards a risk-based approach, where organisations detail in a Risk Management and Compliance Programme (RMCP) what their approach is to combatting money laundering, the financing of terrorism and proliferation financing.	The requirements prescribed by the provisions of the Act, read together with the regulations aim to set a minimum standard as prescribed by the FATF Standards. The requirement to develop, adopt and implement a customer acceptance policy, internal rules, programs, policies, procedures and controls, to effectively manage and mitigate the risks of ML/TF is prescribed by criterion 1.11(1) of the FATF Recommendations. Further, criterion 11.1(b) requires monitoring of the implementation of the controls implemented and enhancement where necessary, as outlined in section 21(4). The provision related to the Centre having the authority to consider the

					type and extent of measures FIs and DNFBPs may apply in respect of each requirement having regard to the risk of ML or TF or PF, meets the requirements of criterion 1.8 of the Recommendations.
	Hollard Insurance	21(3) – Accountable institutions must develop, adopt, and implement a customer acceptance policy, internal rules, programmes, policies, procedures and controls as prescribed to effectively manage and mitigate risks of money laundering, the financing of terrorism and proliferation activities.	How does an RI demonstrate its understanding of risk, if such risk is not governed by a CAP?	Advise why an RI is omitted from this section, and subsequently what is required from an RI to demonstrate its understanding of risk?	The provision previously omitted has been reinserted.
59	NASIA	Section 21 (1A) (1A) An accountable institution shall identify and assess the risks of money laundering and financing of terrorism related to the development of new	Is this requirement limited to the type of business for which the AI is registered, or all conduct? E.g., is an insurer limited to perform risk assessments on its insurance products/policies or does this extend beyond that? Taking the application to all types of business would result in business operations of AIs regulated in Schedule 1 subjected to onerous legislative	Limit the scope of application of risk assessments to the regulated conduct as per Schedule 1 to avoid uncertainty.	The scope of application of the FIA is restricted to designated activities prescribed in Schedule 1. The intention is not to impose obligations with respect to activities that are not designated for AML/CFT/CPF Supervision.

		products and new business practices, including new delivery mechanisms, and the use of new or developing technologies. Such assessment shall take place prior to the launch or use of such products, practices and technologies.	requirements, while entities/persons not regulated do not have to comply with such requirements. Such requirements will in any event be easily avoided by performing such via an unregulated entity.		
60	Prosperity Health	"Section 21A (3) (d)" – instance where the beneficial owner cannot be identified	The proposed insertion makes reference to "instances where the beneficial owner cannot be identified through reasonable measures…" Consideration should be made to include a period over which the identity was not able to be established through reasonable measures.	Include a reference to "over a reasonable period of time" in addition to the 'through reasonable measures'	The steps involved in the implementation of reasonable measures may not be taken for what is considered a reasonable time. Further clarity has been provided on the practical application of the requirement in FIC Guidance.
61	Hollard Insurance	21B (1) – An accountable institution must, in addition to the customer due diligence measures as required under section 21, conduct the following measures on the beneficiary of a life insurance and other	Does the provision apply to long-term insurers with no investment linked products?	Please advise on the practicality of this clause for an insurer who does not offer investment linked products?	The scope of application of the FIA is restricted to designated activities prescribed in Schedule 1. As long term insurers are designated in terms of Schedule I, the obligation will apply to such entities. This FATF has issued guidance on the abuse of the life and similar insurance products for ML/TF purposes.

		investment related insurance policies as soon as the beneficiary is identified or designated, which is - (a) for a beneficiary that is identified as a specifically named natural or legal person, or by legal arrangement by taking the name of the person or arrangement, or (b) for a beneficiary that is designated by characteristics or by class or by other means – obtaining sufficient information concerning the beneficiary to satisfy the accountable institution that it will be able to establish the identity of the beneficiary before the time of the payout.			
62	Prosperity Health	"Section 21B (1) – term 'Legal Arrangement'"	Term 'Legal Arrangement' is consistently used in the Amendment Bill.	Consider insertion of legal / common law definition of the term.	For the sake of consistency, the term trust will be applied in all provisions of the Bill as opposed to "legal arrangements".

			Context should be provided as to the meaning behind the term within the context of the FIA legislation. Specific reference should be made in a definition to: trusts and any arrangements born out of legal contracts.		
61	Prosperity Health	"Section 21B (1)"	Not easy to read. "…and other investment related insurance policy **(consider insertion of a comma)** as soon as the beneficiary is identified or designated, which is:…" Further "(a) for a beneficiary that is identified as **(consider insertion of 'a')** specifically named natural or legal person, or legal arrangement…"	Consider paraphrasing and relevant punctuation of this section to make for simpler reading and better understanding.	The proposed amendment has been adopted in the provision.
62	NASIA	Section 21 (3) (3) Accountable [and reporting institutions] must develop, adopt and implement a customer acceptance policy, internal rules, programmes, policies, procedures and controls as prescribed to effectively manage and mitigate risks of money laundering	"Institutions" should not be removed.	3) Accountable [and reporting] institutions must develop, adopt and implement a customer acceptance policy, internal rules, programmes, policies, procedures (and controls as prescribed to effectively manage and mitigate risks of money laundering and financing of terrorism or proliferation activities	The correction has been effected on the provision.

		and financing of terrorism or proliferation activities.			
63	NASIA	Section 21(6) Accountable **[and reporting]** institutions must designate compliance officer, who is ordinarily resident in Namibia, at management level, where applicable, who will be in charge of the application of the internal programmes and procedures, including proper maintenance of records and reporting of suspicious transactions.		(6) An accountable [and reporting] institution must designate a compliance officer, who is ordinarily resident in Namibia, at management level, where applicable, who will be in charge of the application of the internal programmes and procedures, including proper maintenance of records and reporting of suspicious transactions.	It is unclear what the inputs are in this regard, but please refer to line 64 for clarification on the rationale for the amendment.
64	Fashion Retailers (Pty) Ltd	Section 21(6)	The requirement for the compliance officer to be resident in Namibia does not take into account a multinational operation where transactions are monitored (systematically) outside of Namibia and managed centrally. In addition, the same residence obligation is not required for the audit function and for all company directors.	Deletion of the wording “who is ordinarily resident in Namibia”. As an alternative, there could be a requirement for a least one in person monitoring session per year.	The FIC maintains the position that an AML Compliance Officer should be ordinarily resident of Namibia. One of the main functions of an AML Officer is to be the central point of contact for communicating with the SB and/or competent authorities regarding issues related to the AML/CFT program.

			In addition section 39 allows for a group-level compliance function. Some of the assertions made in the explanatory memorandum about group compliance functions are disputed. This approach is concerning, because in a post-pandemic world, this requirement is outdated. Even the FIC itself conducts desktop monitoring. As an alternative, there could be a requirement for a least one in person monitoring session per year.		The AML Compliance Officer should not only be accessible to the SB for consultation on matters of day-to-day compliance of the institution, but must have the necessary understanding of domestic legal AML/CFT/CPF requirements. The proposed amendment stems from challenges experienced by SBs in that AML Compliance Officers that are not resident in Namibia apply foreign requirements without the necessary understanding of the domestic framework and are not in a position to report on the compliance activities of the local entity.
65	NASIA	Section 21A "(d) in instances where the beneficial owner cannot be identified through reasonable measures, and to the extent that there is doubt about whether a person with a controlling ownership interest the ultimate beneficial owner is, identifying the identity	Reasonable measures is a vague requirement subject to interpretation, any guidance as to what constitutes reasonable measures would assist in developing the required.		The FIC will issue guidance on the practical application of the obligation.

		of the relevant natural person who holds the position of senior managing official and recording the person as holding that position.			
66	NASIA	Section 21A (2) (a) (a) the identity of the prospective client, by obtaining and verifying identification and any further information;	What is meant by "identification and further information"? This will result in onerous obligations and uncertainty.	Specify the information that needs to be verified in the section or refer to the regulations. Allow for verification methods that reasonably serve to verify information such as online applications.	Further Guidance on the practical implementation will be provided through the issuance of subordinate legislative and guidance instruments.
	Fashion Retailers (Pty) Ltd	Section 21A(3)	Due diligence requirements.	Due diligence measures should be decided by the organisation in terms of a risk-based approach.	The requirements prescribed by the provisions of the Act, read together with the regulations, aim to set a minimum standard for what steps an AI should take regarding a legal person. Criterion 10.9 of the FATF Recommendations requires that institutions should be required to identify the legal person and verify its identity through the information listed and section 21A (3) requirements is aligned to the Standard.
67	NASIA	Section 1 and 21B	Provide definitions for the policies to which this requirement is applicable. The Long-Term Insurance Act, 1998 provides	Reword across the Act and include a definition in section 1: An accountable institution that is	The proposed further clarification regarding the meaning of life insurance and investment related

			definitions for long-term insurance policies, but this includes life policies, sinking fund policies, funeral policies, fund policies, etc.	registered as a long-term insurer in terms of the Long-Term Insurance Act No. 5 of 1998.	insurance policies will be incorporated and aligned to prevailing legislation. The designation of long-term insurers as Accountable Institution is provided for in Schedule I Item 14 of the Act. The definition will be further augmented as proposed, in that a long term insurer is one that is registered in terms of the Long Term Insurance Act No 5 of 1998.
68	Fashion Retailers (Pty) Ltd	Section 21B	Due diligence in relation to beneficiaries of Life Insurance contracts.	Due diligence measures should be decided by the organisation in terms of a risk-based approach. The nature of the risk for example will differ between a complex life policy worth millions versus a simple life policy which only pays out N$25 000. It should be left up to the AI to decide and detail its due diligence measures in the RMCP.	The FATF Standards require that countries prescribe the listed specific CDD measures to be implemented for beneficiaries of life insurance policies. The proposed amendments are consistent with criterion 10.12 & 10.13 of the FATF Standards, which Namibia did not meet in the Mutual Evaluation Report. The proposed amendments were adopted based on the advice by the IMF.
69	NASIA	Section 21B. (1)	Are juristic persons only to be identified by name, or also the beneficial ownership? Is the proposal that beneficiaries be identifiable only? Beneficiary payments are	If any additional information apart from name is required (e.g. nationality, identity number/date of birth), it is recommended that this be expressly provided for.	Further Guidance will be provided in secondary legislation. The requirement is that the beneficiary be named. The AI must comply with the identification and verification

			per policy with the policyholder contractually agreed, and when such payment is done, it is a single transaction with that person/s and the identity is verified accordingly. The insurer thus has controls in place to prevent fraudulent claims and adequately identify the beneficiary.	It is also recommended that a window period be provided for existing business issued prior to the amendments as long-term insurance policies remain on books for decades and not all policyholders are reachable. Alternatively, when the customer is reviewed from a ODD perspective the beneficiary information needs to be updated and confirmed. Should a policyholder not be reachable/respond, it is recommended that controls should be in place to prohibit payment to unverified beneficiaries not screened against UNSC sanction lists.	requirements for such a beneficiary at latest once pay-out is effected.
70	NASIA	Section 21B (1) (b) for a beneficiary that is designated by characteristics or by class or by other means – obtaining sufficient information concerning the beneficiary to satisfy the accountable institution that it will be able to establish	It is not clear whether funds registered under the Pension Funds Act, 1956 is also included here, which would mean that we have to identify the members of the retirement funds?	Provide express exemption for funds registered under the Pension Funds Act.	Comment is not well understood, further clarity required.

		the identity of the beneficiary at the time of the payout.			
71	NASIA	Section 21B(2) An accountable institution must, at the inception stage, obtain sufficient information concerning the beneficiary to satisfy itself that it will be able to verify the identity of the beneficiary at the time of payout.	Currently, there is no legal requirement for the policyholder to designate a beneficiary at inception - we can therefore not obtain such sufficient information about the beneficiary at inception stage.	Consider amending to "An accountable institution must obtain sufficient information concerning the nominated beneficiary to satisfy itself that it will be able to verify the identity of the beneficiary at the time of payout." It is recommended that the information be specified that must be obtained. Beneficiary nominations are not compulsory, and the provision should be amended to be a requirement “where applicable”. It is recommended that exemption be provided where the beneficiary is a bank/registered accountable institution as collateral under a cession agreement.	The provision does not obligate identification of the beneficiary at inception stage. The requirement is a pre-payout requirement at payout stage where the beneficiary is identified or designated. The AI must comply with the identification and verification requirements for such a beneficiary. Further guidance on sufficient information to be obtained will be provided by the Centre.
72	BAN	Section 21B(3) of the Bill – Insurance Companies to identify and verify beneficiaries.	21B (3) Remove the terms “**and/or**” and “**where required**” from the obligation. 21B(4) Grammatical corrections and consider defining “enhanced scrutiny”	(3)“Before any payment is made under the life insurance policy the accountable institution shall take reasonable measures to	The nature and extent of the practical application will be provided by the issuance of subordinate legislation and guidance.

			alternatively the FIC to provide guidance to Long Term Insurers as to the required standard and steps of scrutiny that must be conducted. The natire and extent of the "scrutiny" which would be required for compliance with theis requirements must be clearly set-out to the industry.	determine whether the beneficiary and, where applicable, its beneficial owner is a Prominent Influential Person." (4)(a) obtain approval of senior management… (b)conduct enhanced scrutiny of the whole business relationship…	
73	NASIA	Section 21B (3) (3) Before any payment is made under the life insurance, the accountable institution shall take reasonable measures to determine whether the beneficiary and/or the beneficial owner of the beneficiary where required, is a Prominent Influential Person	Beneficiary payments are considered to be single transactions. The status of the beneficiary is thus irrelevant whether prominent influential or not as we do not need to risk rate the beneficiary. The PIP status can be taken into account where the policy is an investment type policy with a surrender value since there is a risk for ML, however, for pure risk life/funeral policies, the claim can only be submitted on a valid claim of death/disability/critical illness/etc. The PIP status on an investment policy will influence the risk rating of the policyholder as the beneficiary/premium payer/life assured/etc would be a close known associate of the policyholder which should influence the risk rating.	Remove reference to PIP. Alternatively, allow specifically for risk-based approach to ignore PIP status should the risk assessment indicate it cannot influence the policyholder's risk.	The provision is proposed in order to comply with criterion 12.4 of the FATF Standards, which Namibia was found non-compliant with. Section 21B(3) is consistent with the recommendation.
73	NASIA	Section 21B (4) (4) Where an accountable institution establishes	As above, beneficiary payments are single transactions, and it would not serve any purpose to risk rate the beneficiary	Amend to allow for application on a risk-based approach where there is a risk of money laundering or the beneficiary is	See response in line 72 above.

		that a beneficiary or the beneficial owner of a beneficiary is a Prominent Influential Person, the accountable institution shall take the following measures: a) obtaining approval of senior management before it pays out any sums under the insurance policy. b) conducting enhanced scrutiny on the whole business relationship with the policyholder, and c) considering making a suspicious transaction report in accordance with section 33.	themselves or getting senior management approval before the payment may be made. Further, the insurer is contractually obligated to pay to the beneficiary upon a valid claim being submitted. The beneficiary does not have any real right to any policy benefit prior to the claimable event taking place. After the event has taken place (such as death), then the beneficiary still has the option to accept the benefit or not. Enhanced scrutiny in relation to relationships where the beneficiary is a PIP should be guided by the risk assessment of the entity and a risk-based approach and not a fixed rule. Further, it should not be mandatory to consider filing an STR with merely on the beneficiary being a PIP as there would generally not be anything worth reporting unless suspicious under the circumstances.	for example listed on a sanction list as this will actually apply to the policyholder/influence their risk rating.	
74	NASIA	Section 21B(5) The beneficiary of a life insurance policy shall be included as a relevant factor in determining whether enhanced customer due diligence measures are applicable. If the	Currently, there is no legal requirement for the policyholder to designate a beneficiary at inception - we can therefore not obtain such sufficient information about the beneficiary at inception stage, or during the cycle of the business relationship, so as to account for the beneficiary's PIP status in customer due diligence as defined. We can only do so once, and if, the policyholder has nominated a beneficiary.	Until such time as beneficiary nominations are required at policy inception, consider amending the subsection to read as "The nominated beneficiary of a life insurance policy shall be included as a relevant factor in determining whether enhanced customer due diligence measures are applicable. If the	The provision does not obligate identification of the beneficiary at inception stage. The requirement is a pre-payout requirement at payout stage where the beneficiary is identified or designated. The AI must comply with the identification and verification requirements for such a beneficiary.

		accountable institution determines that a beneficiary is a legal person or arrangement presenting a higher risk, it should take enhanced measures which include reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of pay-out.		accountable institution determines that a beneficiary is a legal person or arrangement presenting a higher risk, it should take enhanced measures which include reasonable measures to identify and verify the identity of the beneficial owner of the beneficiary, at the time of pay-out."	Further guidance on sufficient information to be obtained will be provided by the Centre.
	Hollard Insurance	22 (1) – If an accountable or reporting institution established a business relationship before this Act took effect, it must, within a period determined by the Centre, take the measures outlined in section 21 on the basis of materiality and risk, at appropriate times, taking into account whether and when the measures have	Should “the basis of materiality” be read in accordance with the definition of materiality contained in FIMA?	Please advise on a definition of “materiality” in this case.	Definition for materiality to be interrogated further.

		been previously undertaken, and the adequacy of data obtained.			
75	Marlene Miller Compliance Practitioners	Section 23 – Risk Clients	I vote in favour of an amendment similar to Botswana's, in providing for simplified due diligence.		Noted, the proposed amendment takes account of the features in the Botswana provision and provides for simplified due diligence.
76	NASIA	23. (1) Accountable institutions must have appropriate risk management and monitoring systems in place to identify clients or beneficial owners whose activities may pose a risk of money laundering, financing of terrorism or proliferation, or both. An accountable institution draws up a risk profile for each customer with whom it maintains a business relationship, which will be kept up to date following the on-going due diligence measures as required under section 24.	The following is not in the current Act: "An accountable institution draws up a risk profile for each customer with whom it maintains a business relationship, which will be kept up to date following the on-going due diligence measures as required under section 24."	Underline to indicate addition	The insertion will be underlined.

77	NASIA	Section 23 (1) A "Where the Accountable Institution following an adequate assessment of risk identifies lower risks, the Accountable institution may decide to allow simplified measures for customer due diligence. commensurate with the lower risk factors. Such measures are not acceptable whenever there is suspicion of ML or TF, or specific higher risk scenarios apply.."	Clarity required on the statement of ML or TF, or Higher Risk scenarios. Would the assessment of a higher risk scenario not be enough to fall into a higher risk category, would a higher risk automatically apply if any or one of the higher risk factors does not place the customer in a high risk category? What is simplified due diligence? Can reporting institutions limit CDD measures to simplified due diligence to establish a relationship?	Provide definition of simplified due diligence in section 1.	A definition for simplified due diligence to be interrogated.
78	BAN	Section 23(2)(a) of the Bill - Risk Clients	Remove the second reference (line 3) to "**directors, partners or"**	Remove the second reference to "directors, partners or"	The proposed amendment will be incorporated
79	BAN	Section 23A – Measures related to Prominent Influential Persons (PIPs)	We note that this section is introduced to meet the requirements under Recommendation 12 on Politically Exposed Persons (PEPS) and opine that the scope of the PIPs provision is adequately aligned to the requirements under that Recommendation.	Include a new sub-section after section 23A(3). "Where a PIP is no longer entrusted with a prominent public position or function domestically or in a foreign country, or a prominent function by an	The proposed amendment will be incorporated to empower the Director to issue determinations with regard to the handling of a PIP that no longer holds office, their close associates or family members. Further guidance on the practical

			However, the definition of Prominent Influential Persons under Section 1 of the Bill includes persons <u>who previously occupied but since vacated a prominently influential positions or functions.</u> Effectively this means – Once a PIP always a PIP. The compliance obligation and related compliance costs to conduct enhanced ongoing monitoring of a PIP that has long vacated a prominent or influential position/function (which exposed such person to a higher risk/ vulnerability) would be contra the risk-based approach. This anomaly is exacerbated by the fact that the proposed Section 23A(2) of the Bill extends the EDD and enhanced monitoring obligations to Family members and Close Associates of PIPs. The FATF Guidance on Politically Exposed Persons (2013) advise that although a country should not prescribe time limits for the scope of PEPS, the handling of a client who is no longer entrusted with a prominent public function should be based on an assessment of risk. It is therefore proposed that the risks associated with a PIP who is no longer entrusted with a prominent or influential public function or position must be assessed	international organization AIs will be required to take into account the continuing risk posed by that person and to apply appropriate and risk-sensitive measures until such time as that person is deemed to pose no further risk specific to politically exposed persons.”	implementation of the provision will be provided by the Centre.

			and commensurate risk mitigating measures should be applied.		
			The treatment of PEPS, their close associates, and relatives, are proposed to be codified into law, under a new definition for “Prominent Influential Persons” (PIPS). The insertion of a new section 23A is proposed in this regard. The meaning of a “close associate of a PIP”, includes (but is not limited to) individuals known to have any close business relationships with a PIP, such as a PIP’s business partners or identified owners and/or beneficial owners of a legal person or legal arrangement which is associated with a PIP. This type of information should be publicly available. It is not explicitly clear what would constitute such ‘known’ relationships in the absence of publicly available information in this regard. In the absence of clear guidance hereto, the test to be applied would typically be whether the assessor should reasonably have known of the close business relationship between the PIP and his/her ‘close associate’. This may be very hard to determine in practice if such information is not publicly available.	Will a declaration from the client / potential client suffice to discharge this obligation?	The Centre will issue subordinate legislation and instruments to further guide regulated entity on the practical implementation of the requirements.

			The question here is thus where the duty of the assessor to attempt to identify close associates would end, should the information not be publicly available		
80	Prosperity Health	"Section 23A – measures related to Prominent Influential Persons"	With due consideration to Prominent Influential Person which vacated a public office, reference should be made in "Section 23A (2)" to the assessment of risk. Once the identity of the Prominent Influential Person has been established, reference should be made to the assessment and risk profiling being conducted in respect of the Prominent Influential Person in question. This is to counter the notion of 'once a PIP, always a PIP' This will be read in conjunction with the other provisions (a), (b) and (c) to the effect that should the Prominent Influential Person have vacated a Public position, and his or her risk profile established, then senior management can be approached for approval to establish a business relationship. Establishing a risk profile is to be consistent with our comment above in that 'influence' diminishes over time.		See response in lines 25 read together with lines 79 in this regard.
81	NASIA	Section 23A (1), (2) and (4)	Reporting institutions do not need to risk rate or perform ongoing due diligence. The PIP status is irrelevant to them.	Remove reference to reporting institutions.	Namibia does not have a register of PIPs.

				It is recommended that PIP lists be maintained by the regulators.	The reference to reporting institutions will be removed in the section 23A of the draft amendment where it does not apply.
82	Hollard Insurance	23A (1) – Accountable and Reporting Institutions must have appropriate risk management and monitoring systems in place to determine whether clients and beneficial owners are Prominent Influential Persons.	Will guidelines be issued to this effect i.e. risk management systems to be used.	Please advise on the appropriate guidelines to be issued, if any?	The Centre will issue subordinate legislation and instruments to further guide regulated entity on the practical implementation of the requirements
83	NASIA	Section 23A(2) and (3) (2) Where a client or beneficial owner has been identified through such systems to be Prominent Influential Persons an accountable institution or reporting institution must – (a) obtain approval from senior management of that accountable institution before establishing a business relationship with such new client,	A blanket approach cannot be followed and should be guided by a risk-based approach since PIP status is not relevant to some products like life insurance business. The prospective customer's PIP or PIP RCA status has no bearing on our collection of recurring premium or the pay-out of pure-risk claims. The premium in such instances is earned by the insurer rather than held on the customers' behalf, reducing ML risk as funds are only availed on valid claim. PIP status is thus only one of the factors that would add to the overarching framework to contribute to the overall risk which will then guide whether high risk or not, and can be disregarded in certain instances.	Amend by inserting "(2) Where a client or beneficial owner has been identified through such systems to be Prominent Influential Persons who poses a high risk of money laundering, an accountable institution must – (a) obtain approval from senior management of that accountable institution before establishing a business relationship with such new client, or in case of an existing client, obtain approval from the senior management of that accountable institution to continue the business relationship with the client."	FATF Criterion 12.4 explicitly requires countries to implement PEP measures in relation to life insurance policies. Namibia was found non-compliant with R.12.4 given the deficiency in this regard. The PEP/PIP measures implemented are specific measures required by the FATF with regard to PEP, and do not merely treat PEPs as a high risk client. The provision proposed is consistent with criterion 12.4.

		or in case of an existing client, obtain approval from the directors, partners or senior management of that accountable institution to continue the business relationship with the client; (b) conduct enhanced ongoing monitoring of the business relationship; and (c) take measures to identify, as far as reasonably possible, the source of wealth and funds. (3) Section (2) applies to Family Members and Close Associates of a Prominent Influential Persons.	Why does the board/partners need to approve if it is an existing relationship?	Guidance to be provided on whether Reporting Institutions are now required to incorporate risk assessments with all their clients as this is currently not the case.	
84	BAN	Section 24 of the Bill – Ongoing and enhanced due diligence	Namibia was rated "not met" with the requirements under Criterion 19.1 of Recommendation 19 in that there is no obligation for FIs to apply enhanced due diligence, proportionate to the risks, to business relationships and transactions with natural and legal persons, including FIs, from countries <u>for which this is called for by the FATF.</u>	"AIs must pay special attention to business relationships and transactions with persons, including legal persons and trusts from countries for which this is called for by the FATF."	The inclusion of specific reference to FATF in the primary law to be interrogated further.

			The proposed amendment does not mention the call by the FATF for enhanced due diligence. It is proposed that the amended be aligned to the wording of criterion 19.1. to ensure compliance. Such amendment may also require a definition for the FATF to be included in the Bill.		
85	NASIA	Section 24(2) (b) (b) pay special attention to business relations and transactions with persons, including legal persons and trusts, from or in countries that have publicly been declared to [do] not or insufficiently apply the relevant international standards to combat money laundering and the financing of terrorism or proliferation;	Section does not align with current wording of section 24(2)(b): "have publicly been declared" not in the current Act. What is such public declaration and how will AI's become aware of this and any amendments to the list of such countries?	Indicate accordingly as an amendment. Recommended that the FIC communicate these countries formally to accountable institutions.	The FIC regularly issues a General Compliance Circulars with respect to countries declared by FATF to be high risk (under increased monitoring/ for which counter measures must be taken) in terms of section 9(2)(c)
86	Prosperity Health	"Section 24 (2) (c)"	In text reference is made to "trusts" Whereas reference is made to 'Legal Arrangements' in other provisions.	Use of "Legal Arrangement" to be considered in the stead of the term "Trust" to cover broader scope.	The term legal arrangement will be replaced with trust in the amendment Bill.

			Consistency is required with regard to the relevant term to be used in the legislation.		
87	NASIA	Section 24(2)(g) (g) take such specific measures as may be prescribed from time to time by the Minister to counter the risks with respect to business relations and transactions specified under paragraph (c); and	The reference to the measures to be specified by the Minister has been proposed to be removed in subsection 24(2)(c).	Amend to state: g) take such specific measures as may be prescribed from time to time by the Minister to counter the risks with respect to business relations and transactions with persons from or in countries as specified under paragraph (c); and	The provision has been reworded and refined to meet the criteria of the Standard.
88	NASIA	Section 26(1) (kk) (kk) the results of any analysis undertaken in the course of that business relationship.	Should this not be section 26(1)(m) and be included after section 26(1)(l)? To which analysis is this proposal referring?	Clarity sought.	The amendment seeks to address a deficiency raised in the Mutual Evaluation related to criterion 11.2. The analysis referred to covers analysis undertaken during CDD.
89	BAN	Section 33(1) and (2) of the Bill – Suspicious transactions and suspicious activities and the Definition of "Promptly" under section 1 of the Bill.	The proposed "3 day maximum" reporting period for STRs and SARs is a significant reduction in the time currently afforded to FIs for reporting. We however acknowledge that the requirement of this Recommendation leaves very limited scope for further extending the maximum reporting period. The proposed 3-day maximum period is also aligned to Regional and International legislative provisions giving effect to Recommendation 20.	Delete "after the suspicion or belief arose, as the case may be" from Section 33(1) and (2) of the Bill**.** Delete definition of "Promptly" Proposed sections 33(1) and (2) (1)A person who – (a) carries on any business or the business of an accountable or reporting institution, or is in charge	See response in line 31 above.

			In terms of Recommendation 20, FIs should be required by law, to report a suspicious transaction to the FIC promptly. In terms of Criterion 20.1 – the obligation to report promptly arises once a FI "**suspects or has reasonable grounds to suspect** that the funds are proceeds of criminal activity or related to TF". We therefore propose that the wording of section 33(2) be aligned to criterion 20.1. It is specifically proposed that the words "**after the suspicion or belief arose, as the case may be"** be deleted from the section. -Reporting must be done promptly once an AI, RI or business suspects or has reasonable grounds to suspect. We further propose that instead of defining "Promptly" its meaning could simply be incorporated into section 33. We further propose that the word "Days" be defined to mean workdays only. To ensure that the new requirement is reasonable, feasible and implementable, We request that the FIC withdraws Guidance Note 4 of 2017 on the Reporting Period of STRs. - Where Automated Monitoring Systems are deployed, the 3 day reporting period must	of, or manages a business undertaking, or a business undertaking of an accountable or reporting institution; or (b) is a director of, secretary to the board of, employed or contracted by any business, or the business of an accountable or reporting institution , and who knows or reasonably ought to have know or suspect that, as a result of a transaction concluded by it, or a suspicious activity observed by it, it has received or is about to receive the proceeds of unlawful activities or has been used to or is about to be used in any other way for money laundering or financing of terrorism or financing of proliferation purposes, must promptly but not later than 3 days, from forming the suspicion, report to the Centre, irrespective of the size of the transaction – (i) the grounds for the suspicion or belief; (ii) the prescribed particulars concerning	

			only run from the day on which suspicion has been formed/confirmed. The 3 day reporting period cannot run from the date an alert (potential suspicion) is generated.	the transaction or suspicion activity. (2)If an accountable or reporting institution or business suspects or has reasonable grounds to suspect that, as a result of a transaction which it is asked to conclude or about which enquiries are made, it may receive the proceeds of unlawful activities or in any other way be used for money laundering or financing or terrorism or financing of proliferation purposes should the transaction be concluded, it must promptly but not later than 3 days after forming the suspicion , report to the Centre (i) the grounds for the suspicion; and (ii) the prescribed particulars concerning the transaction. Insert definition of “Days” to mean all days of the week excluding Saturdays, Sundays and public holidays”.	

90	Marlene Miller Compliance Practitioners	Section 33: STRs	Section 33 is proposed to be amended to require that STRs / SARs must be filed "promptly" with the FIC. FATF Recommendation 20 requires the reporting of STRs / SARs to be made "promptly". Namibia's legislation was found not to adequately discharge this requirement. Section 33 is hence proposed to be amended accordingly. The FATF is however not prescriptive on the meaning of 'promptly'. As such, the FIC now proposes the term "promptly" to be inserted into section 33 and to be defined to mean 'no later than 1 to 3 working days' after the suspicion or belief arose. This proposed amendment thus aims to reduce the current permissible timeline of 15 working days, to 3. In my opinion, this amendment constitutes a very significant, if not the most significant proposed change to the FIA and may pose a serious challenge for institutions to comply, whilst perhaps being more conservative than required by / intended by the FATF.	That the FIC does not follow the strict approach applied by Malawi, but rather follow the more reasonable and pragmatic approach applied by Botswana and Mauritius, by defining "promptly" to mean ……. 'no longer than 5 working days'….. (as said, both these countries had been removed from the FATF Grey-list following amendments to their laws, which included the aforesaid.	See response in line 31 above.

			According to the FIC's Explanatory Memorandum to the proposed FIA amendments, the FIC consulted Malawi's, Mauritius', and Botswana's legislation and opted to follow Malawi's law (more restrictive interpretation) in this regard. As both Mauritius and Botswana have also recently been removed from the FATF grey-list (late October 2021) following the implementation of remedial actions stemming from their own respective FATF mutual evaluations, it is not understood why the FIC would opt to go with the more (excessively – my emphasis) conservative approach applied by Malawi, instead of following the more reasonable and pragmatic approach applied by Mauritius and Botswana (which still met FATF Recommendations). It is believed that such a drastically reduced reporting period will in all likelihood not only present a major challenge to the regulated populace but may also result in the FIC being inundated with non-qualitative default reporting.		
91	Prosperity Health	"Section 33 (1) (b)" read with the "Rationale in respect of the Explanatory Memo with reference to the definition of 'promptly'	Amendments made to Section 33 of the Act prescribe that reporting of an STR should occur promptly. Namibian case law does not provide a precedent for the term 'promptly' and the definition was thus included to provide legal clarity to the meaning. The definition is derived from the ordinary	To consider a prescribed period of 5 working days.	See response in line 31 above.

			dictionary definition and was further qualified to mean no later than 1 to 3 working days. The proposed prescribed period for reporting of 1 to 3 working days will lead to rushed, not fully investigated and insufficiently populated reporting.		
92	NASIA	Section 34	The section is not applicable to the majority of the accountable institutions.	Amend to limit the application to banking institutions/relevant accountable institutions to ensure certainty to regulatory provisions.	Further Guidance to be availed through subordinate legislation.
93	Internal		The FIC should be empowered to "specify" or determine the 'Specified NPO" as per periodic risk assessments. Risk assessments will constantly pick up trends and typologies that may require we revisit and add or remove a NPO sub-sector. You thus do not want to have to go to Parliament to add a sub-sector. At present, such FATF-NPO as per 2021 NRA are faith based organisations; 2. If the above is agreeable, you ideally then need to insert a sentence or two which states that the FIC will, given outcomes of risk assessments, specify the sub-sector(s) within the broader population of NPOs that would meet the definition of a 'Specified NPO'.		The proposed amendment has been incorporated.

94	NASIA	Section 35(6)(d) (d) [After consultation with the Centre and regulatory bodies,] Issue guidelines to accountable and reporting institutions to ensure compliance with this Act.	Provision being removed not in the current Act?	Clarity sought. It is also recommended that consultation with the FIC and industry take place to ensure alignment of requirements.	The current need to consult the FIC impedes the independence and autonomy of the SB. section 35(15)(d) significantly limits the scope of guidelines which NAMFISA, as a supervisory body in terms of the Act, may issue. This undermines NAMFISA's supervisory powers in that it is unable to independently provide compliance guidelines on matters affecting its regulated populace.
95	BAN	Section 35A(8)(f) – Obligations of Specified Non-Profit Organisations	Correct reference to Chapter VI the United Nations Charter and the relevant United Nations Security Council Sanctions Lists. Screening must be done against the United Nations Security Council Sanctions Lists, adopted under Chapter VII of the Charter of the United Nations, relating to the prevention, suppression and disruption of terrorism and proliferation of weapons of mass destruction and the financing thereof.	"verify and screen potential beneficiaries and partners against the United Nations Security Council Sanctions Lists, adopted under Chapter VII of the Charter of the United Nations, relating to the prevention, suppression and disruption of terrorism and proliferation of weapons of mass destruction and the financing thereof	The proposed amendment has been incorporated.
96	NASIA	Section 39	Section 21(7) only refers to accountable institutions. Section 39 again requires that reporting institutions must have documented procedures. Further, is the intention to regulate entities acting outside of Namibia?	Clarity sought. Recommended to remove reference to reporting institutions and foreign operations.	In the MER, Namibia was found deficient with Criterion 18.2 of the FATF Standards requires that financial groups should be required to implement group-wide programmes against ML/TF, which should be applicable to all branches

					and majority owned subsidiaries of a financial group. Further, financial groups should be required to ensure that their foreign branches and majority owned subsidiaries apply AML/CFT/CPF measures consistent with the home country, where the AML/CFT/CPF requirements of the host country are less strict than those of the home country.
97	Prosperity Health	Section 42 (1)	Will reporting still have to take place within 12 days or will this be changed to 5 working days.	We need to establish a reasonable time frame. 7 working days is a reasonable time period.	Section 42 of the FIA relates to interventions by the FIC, and is not to be confused with the reporting period within which STRs must be filed in terms of section 33 of the FIA.
98	Marlene Miller Compliance Practitioners	Section 56 – Administrative Sanctions	The rationale for the lodgement of an appeal, not to suspend the operation of an administrative sanction imposed, is not understood, considering the rules of administration of justice in terms of the stay of execution, The proposed amendment in subsection 10, does not make provision for an application for a stay of execution.	That the proposed amendment by the insertion of subsection 10 be amended to provide for an application for stay of execution, by inserting an appropriate phrase as follows "…… an appeal will not suspend the operation of an administrative sanction imposed, until such time that the Appeal Board established in terms of section 57 has ruled otherwise, or has	

				granted a stay of execution by application of the institution." Generally, it is recommended that the general rules governing a stay in execution, be applied in this regard and provided for in the proposed amendment.	
		Schedule 1 .	Accountable Institutions: Long-term Insurance and Long-term Insurance Brokers The recommended change may pose a serious challenge for Long-term insurance brokers that only sell pure risk products, or will a classification be made in secondary legislation to indicate that this only applies to Long-term insurance brokers that sell pure savings products or those that sell a combination, and that those that sell pure risk products are excluded. The risk for ML for pure risk products is low.	Clearly stating which Long-term insurance brokers are included, and which are excluded.	Long term insurance brokers have been added in terms of the current amendment. The FATF Standards require the coverage of all long term insurers. Short term insurance brokers are currently designated as Reporting Institutions but because they fall outside of the FATF designated sectors/activities and the inclusion of short term insurance is not justified by the risk, it is proposed that they be removed.
99	NASIA	Schedule 1	Inclusion of long-term insurance brokers in the schedule will be onerous on both the industry and the regulator and supervisory body. The risk in general vests in the investment advice industry such as unit trusts, linked investment service providers, investment policies with insurers, etc, not on all long-term insurance business. The investment advice is included the Schedule already and	Recommended that long-term brokers and short-term brokers be included as reporting institutions.	Long term insurance brokers have been added in terms of the current amendment, as this is a requirement of the FATF Standards. Short term insurance brokers are currently designated as Reporting Institutions but because they fall outside of the FATF designated sectors/activities and the inclusion

			the persons providing such must be registered and regulated.		of short term insurance is not justified by the risk, it is proposed that they be removed.
100	Prosperity Group: Prosperity Health Namibia, Prosperity Lifecare Insurance Ltd, Prosperity Insurance Ltd.	Schedule 1	Medical Aid Funds are excluded from Accountable Institutions but are regulated by NAMFISA	Financial Institution and Markets Act ("FIMA") creates the impression that Medical Aid Funds will also be subjected to FIA however Medical Aid Funds are excluded from s14, this needs to be resolved and clarified and communicated to the industry and ensured that FIA (Bill) and FIMA are aligned.	The scope of application of the FIA is restricted to designated activities prescribed in Schedule 1. The FIC holds the view that the amendments should not provide any ambiguity on possible imposition of obligations with respect to activities that are not designated for AML/CFT/CPF Supervision such as medical aid funds. The FIMA is not administered by the FIC and any ambiguity in this regard should be addressed with the initiator.
101	Prosperity Group: Prosperity Health Namibia, Prosperity Lifecare Insurance Ltd, Prosperity Insurance Ltd.	Schedule 1	(14) Any person or entity regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA) who conducts as a business one or more of the following activities - Will we be adding Long Term brokers to the list as well as Short Term Insurance / Brokers to the list of accountable institutions.	To add Long Term Brokers as well.	Long term insurance brokers have been added in terms of the current amendment. Rationale for inclusion of Short Term insurance brokers requires further interrogation.
102	BAN	Schedule 3	Propose the deletion of Item 5 under Schedule 3 - Remove Short-Term Insurers as Reporting Institutions.	Deletion of Item 5 under Schedule 3 - Remove Short-Term Insurers as Reporting Institutions.	The proposed amendment has been incorporated – see response in line above.

			The FATF's Definition of "Financial Institutions" does not include Short-Term Insurers. The FATF therefore does not require countries to apply AML/CFT/CPF preventative measures to Short-Term Insurers and Short-Term Insurance Intermediaries. In terms of Recommendation 1 - If countries determine through their risk assessments that there are types of institutions, activities, businesses or professions that are at risk of abuse from money laundering and terrorist financing, and which do not fall under the definition of financial institution they should consider applying AML/CFT requirements to such sectors. The inclusion of Short-Term Insurers and Intermediaries must therefore be risk informed. In 2020 NAMFISA published the results of its ML/TF/PF Sectoral Risk Assessment for the Non- Baking Industry. The Inherent Risk Ratings for ML was **Low**, TF was **Low** and PF was **Medium Low**. In 2021 the FIC published the results of its National ML, TF, PF Risk Assessment. Overall, the short-term insurance sector's ML vulnerability was considered **Very Low.**		

			Generally, the sector has robust market entry controls and business risk controls to reduce/prevent fraud. The inclusion of Short-Term Insurers and Intermediaries as Reporting Institutions in the Act is therefore not Risk Informed. Based on their National and Sectoral Risk profiles – the removal of Short-Term Insurers as Reporting Institutions under Schedule 3 will be consistent with the requirements of Recommendation 1. The definition of Financial Institutions includes Life Insurance and Investment Related Insurance (Both the insurance undertakings and to insurance intermediaries. This category of Insurers and Intermediaries are sufficiently catered for in terms of FIA Schedule 1, Items 9 and 14(b) read together with the proposed amendment to Item 14(b) to include Long Term Insurance brokers. The exclusion of Short-Term Insures and Short-Term Intermediaries will consequently not leave coverage gaps for compliance with the Recommendations. It is also worth mentioning that generally within the ESAAMLG Region this sector is confirmed to pose a low risk.		

103	Santam Namibia	Schedule 3	Consider removing Short-term insurers from FIA obligations as the Risk is extremely low in the Short-Term insurance industry, Short-term insurers are also exempt from FIA obligations in South-Africa. Furthermore, the Short-term insurance industry was also excluded from the peer review due to its low risk. Alternatively, if Short-Term insurers will not be exempt, consider including a Short-Term Insurance broker as a RI.		The proposed removal of item 5 has been effected on the draft Bill as per advice of the IMF as well as industry inputs.
104	Prosperity Health	Schedule 3	It is proposed that the differentiation related to Accountable and Reporting Institutions be done away with, and that if there is an identified risk, the monitoring of certain sector be prescribed, alternatively, a threshold be applied for certain sectors. The current level of risk may not warrant the amount of resources being applied for certain sectors for full scope of AML/CFT/CPF obligations prescribed by the FIA. In order to apply a risk-based approach, one may consider the introduction of a threshold for DNFBPs such as for those dealing in high value goods.	The question here is, are we still going to be listed as an accountable institution. Clarity as to who the AIs will be.	Accountable Institutions are those performing activities designated in terms of Schedule 1 of the FIA.
105	Hollard Insurance	Schedule 3 – Reporting Institutions	Is it safe to assume Schedule 3 in the principal Act has not changed? If so, what is the rationale behind long-term intermediary inclusion and short-term intermediary exclusion?	Please advise if there is an update to Schedule 3, and if not, why short-term intermediaries are excluded from the ambit of law?	Further, Schedule 1 was has been augmented with the inclusion of long term insurance brokers as this as the FATF requires that where the risk is justified, intermediaries are obliged to assess and understand the ML/TF risks to which they are exposed and it follows that they be

					designated as an AML/CFT/CPF Accountable Institution. Short term insurers have been removed because they fall outside of the FATF designated sectors/activities and the inclusion of short term insurance is not justified by the risk.