

**CONF/IRA/00/005/03**  
**21<sup>st</sup> January, 2022**

**TO: ALL INSURANCE COMPANIES & INSURANCE BROKERS**

**THE PROCEEDS OF CRIME AND ANTI- MONEY LAUNDERING  
AMENDMENT ACT, 2021**

Section 44 (2) of the Proceeds of Crime and Anti- Money Laundering Act (POCAML) requires all reporting institutions to report suspicious transactions or activities of money laundering or proceeds of crime to the Financial Reporting Centre (FRC).

The reporting institutions include financial institutions and designated non-financial businesses and professions. Section 2 of POCAML defines a Financial Institution as any person or entity who trades in among others underwriting and placement of life insurance and other investment related insurance.

The above definition created an ambiguity as regards the role and responsibility of insurance intermediaries in relation to combating money laundering and terrorism financing.

Through the legal Notice No.16 of 2021, section 2 of Proceeds of Crime and Anti- Money Laundering Act was amended under the definition of Financial Institution by adding the words *“provided that this applies both to insurance underwriter and to insurance intermediaries including agents and brokers”* immediately after the above definition.

Following this amendment, the Authority would like to bring to your attention the following:

1. Insurance intermediaries who procure life and investment related insurance services are required to immediately register with the Financial Reporting Centre.

In this regard, insurance brokers, bancassurance intermediaries and independent agents are required to inform the Authority of the classes of business that they procure. The life insurance companies to submit a list of their tied agents **latest by 11<sup>th</sup> February 2022.**

2. Insurance intermediaries should comply with the provisions of “The Insurance (Anti-Money Laundering and Combating Financing of Terrorism) Guidelines, 2020”.
3. Reporting suspicious transactions or activities of money laundering or proceeds of crime to the Financial Reporting Centre.

Note that the consequences of non- compliance are dire and the law gives the Financial Reporting Centre powers to impose administrative sanctions directly without reference to the Authority.

In case of any clarification get in touch with Mary Nkoimu on [mnkoimu@ira.go.ke](mailto:mnkoimu@ira.go.ke) or 0722444090 or Joseph Owuor on [jowuor@ira.go.ke](mailto:jowuor@ira.go.ke) 0721414517.

Please be guided accordingly.

Yours Faithfully,



**GODFREY K. KIPTUM**

**COMMISSIONER OF INSURANCE & CHIEF EXECUTIVE OFFICER**