

RULE
154/5^A/31-08-09
of the Board of Directors

**“Prevention of the use of the financial system for money
laundering and the financing of terrorism”**

Taking into account:

1. Law 3691/2008 titled “Prevention and punishment of money laundering and other criminal law provisions- Supreme Court’s plenary sessions – Arbitration and other provisions” (published in Government Gazette bulletin A 166),
2. The 40 Recommendations of the Financial Action Task Force (FATF) on money laundering and the 9 Special Recommendations on terrorist financing.
3. Article 90 of presidential decree 63/2005 (Govern. Gazette A/98/2005) titled “Codification of the legislation of the Government and Governmental Bodies”.

HAS UNANIMOUSLY DECIDED

Article 1

Scope

1. The current decision, Annexes I, II, and III included, (called ‘Decision’), aims at the prevention of the use of the financial system in Greece for the purpose of money laundering and financing terrorism in relation to: a) life insurance activities b) life insurance intermediation activities and c) provision of investment related services, such as credit or financial products services in the Greek market, as defined in article 5 of law 3606/2007 (Govern. Gazette A/195), undertaken by Greek or foreign companies (called ‘Services’). The life insurance activity type IV (accident, disease) of article 13 par. 2 of the legal decree 400/1970 is exempt.
2. The Decision concerns: a) Greek insurance companies, as well as the foreign insurance companies’ branch offices in Greece, including the ones established in the European Union, and b) independent insurance intermediaries of article 2 paragraph 5 of presidential decree 190/2006 (Govern. Gazette A/196), as long as they operate in the Greek territory (called ‘Companies’).
3. The Decision also concerns the executive officers, the employees, the tied insurance intermediaries of article 2 paragraph 7 of presidential decree 190/2006 (Govern. Gazette A/196), as well as any natural or legal person, who provides services on behalf of the Companies.

4. Insurance companies are fully responsible for the actions of their employees, executive officers and tied insurance intermediaries. Independent insurance intermediaries are fully responsible for the actions of their employees and executive officers.

Article 2

Definitions

1. **'Customer'** is: a) the insurance collector (Company's contractor), b) the third party who is an insurance policy beneficiary, defined in the insurance contract either in the beginning or at a later stage, as described in article 1 par. 1, article 9 and article 27 par. 4 of law 2496/1997 (Govern. Gazette A/87) ('insured person'), as valid, c) the policy beneficiary as described in article 28 par. 3 and 4 of law 2496/1997 (Govern. Gazette A/87), as long as he's a different person from the insurance collector or the insured person (insurance for a third party's death risk), d) the investment services collector or the person who makes the investment.

2. **'Beneficial Owner'** is the natural person (or persons) who controls the customer or the natural person on whose behalf a transaction or activity is being conducted. Beneficial owner includes at least:

(a) in the case of companies:

- (i) the natural person(s) who controls a legal entity through direct or indirect ownership or exercises control over a sufficient percentage of the shares or voting rights in that legal entity, including through bearer shares, other than a company lawfully listed on a regulated market of a country, that has implemented in its national legal order the Community legislation's disclosure requirements or of a third country where equivalent international standards apply; a percentage of 25% plus one share shall be deemed to meet this criterion;
- (ii) the natural person(s) who otherwise exercises control over the management of a legal entity;

(b) in the case of legal entities and trusts, which administer or distribute funds:

- (i) where the future beneficiaries have already been determined, the natural person(s) that is(are) the beneficiary of 25% or more of the assets of a legal entity or trust;
- (ii) where the individuals that benefit from the legal entity or trust are yet to be determined, the class of persons in whose

main interest the legal entity or the trust is set up or operates;

- (iii) the natural person(s) who exercise(s) control over 25% or more of the assets of the legal entity or trust.

3. **‘Politically exposed persons’** are: a) the natural persons who are or had been entrusted with prominent public functions, such as head of states and governments, ministers, under-secretaries, general and special ministerial secretaries, members of the Parliament, members of Supreme Courts deciding at the last degree, ambassadors, attachés, high ranked officials of the Armed Forces, as well as members of administrative, managerial or supervisory bodies of independent authorities, legal persons of public nature or state organizations, as described in the second part of par. 9 of article 1 of the presidential decree 60/2007 (Govern. Gazette A/64), b) their immediate family members, such as husband or wife, cohabitee partner, parents, children and their husbands or wives or cohabitees partners and c) persons known to be close associates of such persons. Persons residing in Greece do not constitute politically exposed persons; standard due diligence procedures apply for such persons.

4. **‘Business Relationship’** is a business, professional or commercial relationship which is connected with the professional activities of the Companies, including particularly the provision of insurance services, investment services and insurance mediation services, and which is expected, at the time when it is established, to have a certain duration.

5. **‘Transaction’** is any action made in the framework of the business relationship, such as a new insurance policy deal, the contract surrender, the insurance contract secured loan, the sale of a mutual fund, the payment of a premium etc.

6. **‘Investment related service’** is any service provided by a life insurance company or by an insurance intermediary, which consists of any assistance or support of investment service, primary or subsequent, according to the relevant definition of article 4 of law 3606/2007 (Government Gazette A/195). The distribution, buy-out or transfer of credit or financial means as per article 5 of law 3606/2004 (Government Gazette A/195) and particularly of mutual funds shares as stipulated in article 15 paragraph 4 of law 3283/2004 (Government Gazette A/210) is expressly defined as an investment related service.

7. **‘FIU’** is the National Authority of art. 7 Law 3691/2008

8. **‘Non-reliable third countries’** countries defined when the European Commission issues a decree according to paragraph 4 of article 40 of Directive 2005/60/EC.

Article 3

Due Diligence Obligation

1. Companies shall apply customer due diligence measures in each of the following cases:

- (a) before establishing or amending business relationships and executing transactions, and especially before entering into or amending an insurance contract, agreement on investment services or a contract between the insurance intermediary and the customer or before filling an application for participation in an investment product;
- (b) when carrying out transactions of over fifteen thousand Euro (€15,000);
- (c) in any and all cases where there is a suspicion of attempt of perpetration of the offences mentioned in article 2 of law 3691/2008, regardless of any derogation, exemption or minimum threshold;
- (d) in any and all cases where there are doubts about the accuracy or adequacy of data previously obtained to verify the identity of the customer, any other person on whose behalf the customer acts, and the beneficial owner(s) of the customer.

Article 4

Standard Due Diligence Measures

1. Standard due diligence measures regarding the customer include at least:
 - (a) verifying and inspecting the customer's identity as well as at least the data referred to in Annex I, on the basis of documents, data or information obtained from a reliable and independent source;
 - (b) identifying, if applicable, the beneficial owner and taking risk-based and adequate measures to verify his identity so that it is ensured that the Companies know who the beneficial owner is; as regards legal entities and trusts, taking risk-based and adequate measures to understand the ownership and control structure of the customer;
 - (c) obtaining information on the purpose and intended nature of the business relationship or important transactions or activities of the customer or the beneficial owner;
 - (d) conducting ongoing monitoring regarding the business relationship, by carefully scrutinizing the transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the Companies' information about the customer, his business activity, his risk profile and, where necessary, the source of funds, and ensuring that the documents, data or information held are kept up-to-date;
 - (e) in the case that doubts arise during the business relationship on the part of the party liable for payment as to whether the contract or transaction counterparty(ies) act on their own behalf or in the case that the party liable for payment is certain that the counterparty(ies) do not act on their own behalf, the party liable for payment shall take the measures necessary to collect information

on the real identity of the persons on whose behalf the counterparty(ies) is(are) acting;

- (f) scrutinizing thoroughly any and all transactions or activities that can be connected to money laundering or terrorism financing either due to the nature of such transactions or activities or due to the data concerning the identity or the capacity of the transaction counterparty(ies). Such transactions or activities particularly include complicated or unusually high-amount transactions as well as all unusual forms of transaction that are executed for no obvious economic reason or with no clear legal ground;
- (g) the Companies co-assess the overall portfolio held by the counterparty(ies) with them and possibly with other companies of the same group of companies, according to par. 4 of article 4 of law 3691/2008, in order to ascertain the relevance and compatibility of the transaction in question with such portfolio(s).

2. Customer due diligence measures apply to every customer, when they act jointly in the business relationship or are or become jointly beneficiaries of the insured amount, such indicative case being the joint account statement, according to article 4 par. 7(a) below, regarding the crediting of the surrender or insurance amount.

3. Companies may determine the extent of the due diligence measures on a risk-sensitive basis as well as the frequency of scrutinizing whether the transactions being conducted are consistent with the Companies' information about the customer. Risk assessment indicatively depends on:

- (a) the type of customer;
- (b) the purpose and intended nature of the business relationship with the customer;
- (c) the insurance services provided; and
- (d) the source of funds.

4. Companies may differentiate their due diligence policy, always within the boundaries stipulated in article 3 (b) of the present decision, regarding low-risk insurance types, such as life insurance type I(3). Moreover, verification of the source of funds is not obligatory, in the case that total customer insurance fees portfolio does not exceed Euro 15.000. Companies shall classify their customers into at least two (2) risk classes on the basis of criteria reflecting probable risk causes. This classification is performed through a written risk analysis per client.

5. In case two or more financial institutions, credit organizations or other liable entities participate in a transaction or a series of transactions, each one of them is obliged to apply the due diligence measures.

6. Companies must be able to demonstrate that the extent of the measures is corresponding to the risks of the offences of article 2 of law 3691/2008 entailed in each business relationship and transaction, that they apply these measures consistently and effectively, and that they comply with the competent authorities' decisions.

7. Companies are discouraged from contracting tontines and and contracts "on behalf of owner" insurance policies.

8. Companies are encouraged to apply the following procedures in making payments to their customers:

- (a) the customer declares a bank account where the surrender or insurance amount shall be deposited
- (b) the payment of the surrender or the insurance value is made through the aforementioned bank account or by crossed cheque
- (c) the use of cash money and cheques, except crossed cheques, for the payment of surrender or insurance value is reduced.

8. Companies are encouraged to apply the following policy in collecting money from their customers:

- (a) collection of premium through the banking system, especially for payments exceeding 2,000 Euro
- (b) regardless of amount, non acceptance of transferable securities issued to bearer or to order and transferred through endorsement.

Article 5

Customer due diligence implementation timeframe

1. The verification of the customer and the beneficial owner's identity takes place before the establishment of business relationships and, in any case, before the beginning of the insurance relationship or the change of the beneficiary or any other change of the subjects of the insurance relationship, which cannot be concluded without a positive action on behalf of the insurance company.

2. By way of derogation from paragraph 1, the following apply:

(a) exclusively in relation to life insurance business (such as group insurance), it is allowed to verify the identity of the insured person and/or the beneficiary and the beneficial owner after the business relationship with the customer has been established. In such case, verification shall take place at the latest at the time when the owner or the beneficiary is physically present and intends to proceed to a transaction, for example to surrender the contract or to exercise rights vested under the policy. Regarding data verification concerning the insured person and/or the beneficial owner when the insured amount is deposited in a joint or separate account, Companies shall in the latter case verify the data before depositing the payment.

(b) in relation to every business relationship, it is allowed to complete the verification of the customer's identity and the beneficial owner's identity right after the establishment of the business relationship, if this is necessary in order not to interrupt the normal conduct of business and where there is little risk of money laundering or terrorist financing occurring. In such situations these procedures shall be completed as soon as practicable, and, in any case, within thirty (30) days at the latest.

3. In cases where Companies are unable to comply with the procedures of standard due diligence, Companies ought to not enter or interrupt the business relationship with the customer and consider submitting a report to the competent authority for money laundering.

4. Companies shall also apply the standard due diligence procedures to existing customers, periodically, on a risk-sensitive customer basis, as well as extraordinarily at appropriate times. Appropriate times shall mean, inter alia, the following:

- (a) when the customer is carrying out an important, with regard to his status, transaction;
- (b) when an important change in the customer's data occurs;
- (c) when there are changes in the way the customer's account operates;
- (d) when the Company acknowledges that information about an existing customer is insufficient.

Article 6

Simplified Customer Due Diligence

1. By way of derogation from article 3 (a), (b) and (d), article 4 and article 5, the Companies shall not be subject to the requirements provided for in those articles in the following cases:

(a) When the customer is:

- (aa) a credit or financial institution of a member state of the European Union or a credit or a financial institution situated in a third country which imposes requirements equivalent to those laid down in Community legislation and is supervised for compliance with those requirements;
- (ab) a listed company whose securities are admitted to trading on a regulated market in a member state of the European Union or in a third country which is subject to disclosure requirements equivalent to those laid down by Community legislation, in the sense of article 43 of law 3606/2007 (Govern. Gazette 195/A).
- (ac) companies that operate as securities collective investment organizations according to article 2 of law 3283/2004 (Govern. Gazette 210/A) along with their holding companies, with headquarters situated in the European Union, subject to their headquarters state legislation that is compatible with the provisions of Directive 85/611/EEC (L 375/21.12.1985), as valid;
- (ad) A Public authority or a public legal entity or a business or organization that is at least 51% state-owned;
- (ae) public authorities or public organizations that fulfill the following criteria:

i) they have been assigned a public office according to the European Union Treaty, the Communities Treaties or the secondary Community legislation,

ii) their identity is publicly known, transparent and definite,

iii) either are accountable to a community institutional body or authorities of a member-state or proper procedures are applied that ensure the monitoring and control of their activity.

(b) When the possibly periodically paid premium is less than 1,000 Euro per year or the single premium is less than 2,500 Euro. If the premium or the periodical premiums that are to be paid in the duration of a year are raised so that the 1,000-Euro threshold is exceeded, verification of the policy holder's identity is required.

(c) Insurance policies for pension schemes that provide employees with pension benefits for which the premiums are paid by subtraction of their earnings and the terms of which do not allow for transfer of holders' benefits.

(d) Insurance policies for pension schemes that are based on labor contracts or professional occupation of the insurance holder, on condition that these insurance policies do not include a surrender clause and the policy cannot be used as collateral.

2. Companies do not apply simplified CDD to customers that fall in the scope of sub-paras (aa) and (ab) of para 1 of the present article, which are founded in non-EU countries.

3. In the cases mentioned in the previous paragraph, the Companies shall in any case gather sufficient information and shall establish in writing by means of a justified report of a competent executive that the customer qualifies for an exemption.

Article 7

Enhanced Customer Due Diligence

1. Companies shall apply, on a risk-based approach, enhanced customer due diligence measures, in addition to the measures mentioned in article 4, in cases which by their nature can present a higher risk of money laundering or terrorist financing. Indicatively, Companies apply enhanced customer due diligence measures in unusual transactions occurring without obvious economic purpose, in cases where the transactions carried out might favor anonymity and in the suspicious transactions set out in Annex III of the present decision, taking into consideration and co-assessing the overall portfolio of the customer, the beneficial owner, the person on whose behalf the customer acts, relatives, spouses, partners and close associates of the above over at least the last three years.

2. In any case, Companies shall apply enhanced due diligence measures in the cases mentioned in article 9 of the present decision.

Article 8

Transactions with no physical presence of the customer – Risks from new products and technologies

1. When the customer is not physically present, in order for his identity to be verified, and there is no independent insurance intermediary involved who has declared to the Company such customer's physical presence before him, Companies shall apply special and appropriate measures to compensate for the higher risk and at least verify the identity of the customer with additional substantiating documents, data and information, to those of Annex I of the present decision, as indicatively:

- (a) request additional substantiating evidence;
- (b) take additional measures for the verification or certification of the evidence submitted;
- (c) acquire confirmatory certification by a public authority, a credit or financial institution operating in a European Union member-state;
- (d) ensure that the first payment, as far as the business relationship is concerned, is carried out through an account opened in the name of the customer and kept at a credit institution operating in a European Union member-state;
- (e) verify that the company or organization primarily operates at the address of the administrative offices that has been declared.

2. The Companies apply the enhanced measures of the current article in any case of "insurance on behalf of", according to the stipulations of article 9 and 27 par. 4 of law 2496/1997 (Government Gazette A/87), as valid, or in case of tontine of type V Life Insurance, as described in article 13 of the legislative decree 400/70 (Government Gazette A/10), as valid.

3. Liable entities shall scrutinize very carefully every product or transaction, which may favor anonymity and which, by its nature or in view of the data about the person or the capacity of the transaction counterparty(ies), may be connected with plans to perpetrate offences as per article 2 of law 3691/2008, and shall take appropriate measures for the prevention of such risk.

4. In the process of planning and designing any new product that falls under the current decision, the insurance company's compliance officer or consultant specialized in issues of money laundering and terrorism financing prevention must provide their consent.

Article 9

Politically Exposed Persons

When Companies conduct transactions or establish business relationships with politically exposed persons who live in a third country, inside or outside the European Union, they are obliged to:

- (a) have appropriate risk-sensitive procedures in order to determine whether the customer is a politically exposed person;
- (b) demand the approval of the Company's high-ranked executives for establishing business relationships with such customers;
- (c) take sufficient measures to determine the source of the funds, which are involved in such business relationship or transaction;
- (d) carry out enhanced and ongoing monitoring of the business relationship.

Article 10

Legal Entities

1. Without prejudice to the stipulations of article 6 par. 1 of the present decision, when the customer is a company with non-registered shares, the Companies shall at least:

- (a) acquire, when establishing a business relationship, especially when entering a contract for insurance related services, a statement from the management of the legal entity in relation to the identity of the beneficial owners, before signing the insurance contract;
- (b) notify the legal entity's management of the immediate notification obligation in case there is a change of the aforementioned beneficial owners, and take appropriate measures, including the relevant contract terms, in order to ensure that the customer will conform to this obligation.

2. Without prejudice to the stipulations of article 6 par. 1 of the present decision, when the customer is an offshore company, the Companies, except for the measures provided in the previous paragraph, shall also acquire, when establishing a business relationship, especially when entering a contract for insurance related services, a statement from the customer concerning the type of relation between the beneficial owner and the customer, pursuant to the attached Annex II. The countries where offshore companies are set up are specified by decision of the Deputy Minister of Economy and Finance 1108437/2565/ΔΟΣ (Government Gazette B. 1590/16.11.2005). The Company shall also apply beneficial owner standard due diligence measures.

3. Without prejudice to the stipulations of article 6 par. 1 of the present decision, when the customer is a legal entity or a not-for-profit association, the Companies:

- (a) verify that the business scope provided in their articles of association is lawful;
- (b) ensure that the business relationship or the transactions fall within the business scope provided in the customer's articles of association.

Article 11

Due diligence measures performed by third parties

1. The Companies may rely on third parties for the fulfillment of the customer due diligence obligation of article 4. The ultimate responsibility for the fulfillment of the customer due diligence obligation shall remain, in any case, with the Companies which rely on the third party. Entities relying on a third party must ensure that the third party, if so required:

a) shall make immediately available every information it acquires in applying the due diligence measures on the customer, any third party on behalf of which the customer acts and the beneficial owner;

b) shall immediately provide, upon request, every copy of the certification and verification of the above persons' identity that it has acquired in the process of applying the standard due diligence measures.

2. 'Third Parties' shall mean:

a) credit institutions;

b) investment services companies, mutual funds management companies;

c) insurance companies, only as far as insurance intermediaries are concerned, provided that they are headquartered in a European Union member-state or a third country that is a member of the Financial Action Task Force - FATF.

The Companies may recognize and rely on the outcome of the customer due diligence procedures in accordance with paragraph 1, provided that such third parties pledge to make immediately available to the Companies the information gathered pursuant to articles 4 to 10 as well as the copies of the customer or the beneficial owner identification and identity verification data and other relevant documentation.

3. If for any reason the business relationship between the third party and the customer is interrupted, the liable entity proceeds to verify the customer's identity data and apply all standard due diligence measures.

4. Insurance intermediaries are entitled to request from the insurance companies, documents that pertain to items a' and b' of paragraph 1 of article 4 of the present decision, which have been supplied by said intermediary.

Article 12

Suspicious Transactions

1. Suspicious transaction is in general the transaction that may be considered as incompatible with the known and lawful operations of the customer or his personal activities or the usual business of the particular insurance contract.

2. Companies are obliged to carefully investigate any suspicious transaction. In any event, Companies monitor the business relationships and transactions with customers coming from countries characterized as non-reliable by FATF.

3. The outcome of monitoring the suspicious transactions shall be kept in writing or in electronic form, without prejudice to the stipulations of

paragraph 4, article 13. The relevant employees' reports must be justified, kept in a special file dated and signed by the employee.

4. Companies shall avoid executing transactions or activities or providing services, which they know or suspect that may be connected to offences of article 2 of law 3691/2008. However, if avoiding the transaction, activity or service provision is impossible or may prevent the prosecution of the customer(s), beneficial owner(s) or person(s) on whose behalf the customer(s) act, the Companies shall execute the transactions, activities or service provisions, while also notifying the FIU. Companies are required to evaluate these transactions and file an STR in any case that they suspect or have reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted. The same applies for attempted transactions as well.

Article 13

File keeping

1. Companies are obliged to keep for a period of at least five years, unless a longer period is provided for in a legal provision, after the business relationship with the customers has ended, as far as agreements are concerned, and for a period of at least five years following the last transaction, as far as transactions are concerned, the data which are relevant with the abovementioned agreements and transactions, such as legalization documents, photocopies of documents on the basis of which the verification of the customer's identity took place, and transaction evidence.

2. Within the framework of complying with the requirements of the previous paragraph, the Companies keep at least the following data:

- (a) the customer's identity, including his full name, address, phone number, profession, office address, tax reference number and signature sample;
- (b) the number of the insurance contract;
- (c) the identity of the beneficial owners;
- (d) the identity of the persons authorized to act on behalf of the customer;
- (e) data relating to the transactions carried out;
- (f) the connected bank accounts of the customer, if there are any;
- (g) the source of the funds, where this obligation exists;
- (h) the way in which the funds have been deposited or withdrawn, that is cash, checks, electronic wires etc.;
- (i) the purpose/destination of the funds;
- (j) the type of instructions given by the customer;
- (k) evidence of internal and external correspondence relating to all of the above.

3. Record keeping may be also done in electronic form, on the condition that the relevant information systems follow controlled access procedures, user i.d. and date.

Article 14

Keeping data and files from subsidiaries and branch offices in other countries

1. Liable entities ought to apply at their subsidiaries, in the sense of par. 4 of article 4 of law 3691/2008, and their branch offices in other countries, data and file keeping measures that are at least equivalent to those stipulated in article 13. In case the state legislation of a third country, which is not a member of the European Union, does not allow the application of part or all of such measures, above entities shall notify the FIU, the competent authorities and the Central Coordinating Authority.
2. Liable entities shall, in cases where the state legislation of a third country, which is not a member of the European Union, does not allow the application of the measures required by article 13, take additional measures so as to effectively address the risk of money laundering and terrorism financing.

Article 15

Compliance Officer

1. The Compliance Officer for the prevention of money laundering and terrorist financing shall be responsible for the general supervision of the Company's compliance with its obligations concerning the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.
2. The Compliance Officer has at least the following duties:
 - (a) to receive from the Company's employees reports with information which create the strong belief or the suspicion for money laundering or terrorist financing, such as reporting for suspicious transactions. Employees' reports shall be registered in a special file and shall be dated and signed by the employee;
 - (b) to assess and examine the information with reference to other available sources. The assessment of the information included in the reports submitted to the Compliance Officer for the prevention of money laundering and terrorist financing shall be drafted in a special form, which shall also be kept in the relevant file. If, following the assessment, he/she decides to report the information to the FIU, he/she must prepare a report to be submitted to the FIU as soon as possible. If, as a result of such assessment, he/she decides not to proceed with a report to the FIU, then he/she must provide explanations, in the relevant file, for the reasons of such decision;
 - (c) to act as the first contact with the FIU both in the beginning and during the investigation of the case under review following the

submission of a written report; to respond to all enquiries and requests for clarifications by the FIU; and to decide whether the enquiries/clarifications are directly related to the report submitted and, if so, to provide all information requested and cooperate fully with the FIU.

3. Each financial group designates an executive officer of the largest company of the group as coordinator that ensures that the obligations stipulated by the present law are fulfilled by all companies of the group. To this effect, such executive shall cooperate and exchange information with the individual companies' executives defined in paragraph 1, be notified of possible reports to the Committee and be able to submit reports himself, in which he/she may provide evidence from all companies of the group. By decisions of the competent authorities in charge of supervising the largest company of the group, procedures and obligations may be set out to be followed by the groups and by the companies of each group.

Article 16

Application of procedures and systems

1. Companies shall establish sufficient and appropriate procedures in order to preempt and prevent the execution of transactions related to money laundering or terrorist financing. Such procedures shall allow Companies to fully and swiftly respond to requests or queries by the FIU, the PISC or other competent public authorities, as to whether they are maintaining or have maintained during the past five years a business relationship with specific natural persons or legal entities, the nature of such business relationship and every relevant transaction.

2. The procedures shall at least include:

- (a) customer due diligence;
- (b) reporting suspicious transactions;
- (c) record keeping;
- (d) internal control;
- (e) customer, business relationship and transactions risk assessment;
- (f) compliance management; and
- (g) allocation of duties and responsibilities.

3. Companies' information systems shall be able to process and provide information on at least the following data:

- a) cases where the customer's conduct presents a multiplicity of transactions or an effort is being made to partition amounts;
- b) a table of customers and contracts that fall within the boundaries of due diligence or enhanced due diligence;
- c) surrender of contracts that have been signed at a different branch office;
- d) surrender of contract with a loss;

e) classification of customers by risk level according to article 4 of the present decision;

f) production of notifications in cases of suspicious transactions.

4. Company's external auditors' submit a report every two years assessing the efficiency and effectiveness of the operation of the system on prevention of money laundering and terrorist financing. A copy of the report shall be submitted to the Private Insurance Supervisory Committee (PISC).

5. In the case of mergers, acquisitions of portfolio transactions, companies may apply to PISC for a specific grace period to be provided, in order to apply the provisions of this decision to the acquired portfolio.

6. Exempt from the obligation to draft internal procedures and information systems operation are the independent insurance intermediaries of article 2 par. 5 of Presidential Decree 190/2006 who:

(a) present an annual production of less than € 60,000.- or

(b) present an annual production of more than € 60,000.- but the conditions laid out in par. b of article 6 of the present decision are valid for their total portfolio.

In the case that the above requirements are not met for two consecutive fiscal years, this exclusion is irrevocably voided.

Article 17

Providing Information

1. Companies shall submit to the Private Insurance Supervisory Committee the following:

(a) The name and surname, the position and the date of the act of appointing the executive officer as Compliance Officer as well as of the person acting as his substitute, appointed pursuant to the provision of article 44 of law 3691/2008;

(b) A copy of the internal control and communication procedures, established in writing, with the purpose of preempting and preventing the carrying-out of transactions related to money laundering.

2. In case the Compliance Officer changes or important alterations in the internal control and communication procedures occur, Companies are obligated to notify in writing the Private Insurance Supervisory Committee of such changes within a period of 10 working days after they are in force.

3. Companies shall submit to the Private Insurance Supervisory Committee within the month of March of each calendar year an Annual Report, which shall include the following information:

(a) Brief information on the important measures taken and the procedures adopted during the year;

(b) Inspections carried out for the assessment of due diligence procedures efficiency when identifying the customers, as well as

the scope of such controls (procedures, transactions, level of employees' training etc);

- (c) Any important deficiency and weakness observed, especially as to the procedures of internal reporting of suspicious and unusual transactions, or transactions of non-evident financial or lawful purpose, the quality of the reports and their timely performance, as well as the actions and recommendations made for taking corrective measures;
- (d) The number and content of reports of suspicious and unusual transactions submitted by employees of the Company to the Compliance Officer, as well as the approximate time lap between the transaction and sending-out the report to the Compliance Officer;
- (e) The number and the content of reports of suspicious and unusual transactions submitted by the Compliance Officer to the FIU, as well as the approximate time lap between the delivery of the report by the employees of the Company and sending-out the report to the Public Authority;
- (f) The training seminars the Compliance Officer has attended and their content;
- (g) Information concerning the education and training conducted for the staff during the year, with reference of the number of seminars attended, description of the training material, duration of the seminars, the number and capacity of participating employees.
- (h) Companies are required to manifest in writing, by means of a report of the competent executive officer, the adoption of the provisions of art. 11 of the present decision.

Independent insurance intermediaries of article 2 par. 5 of Presidential Decree 190/2006 are exempt of the obligation to submit an Annual Report, provided that the conditions of par. 6 of article 16 of the present decision hold true for them, and provided that for that period, they have not submitted a report for suspicious and unusual transactions to the FIU.

4. In addition to the obligation stipulated by article 41 of law 3691/2008, the Companies must inform the Private Insurance Supervisory Committee of cases where their subsidiaries and their branches abroad are not permitted by relevant foreign legislation to apply all or part of the policies, procedures and controls of the group for the prevention of money laundering and terrorist financing.

Article 18

Staff Training

Companies shall take the appropriate measures so that their employees become aware of the legislation in force, the regulatory decisions and interpretation bulletins as well as the internal procedures. Such measures shall, inter alia, include the participation of the relevant employees in special ongoing educational and training programs, which shall train them

efficiently in recognizing the activities that might be related to money laundering or terrorist financing and shall teach them how to proceed properly in such cases.

Article 19

Criteria for the Imposition of Sanctions

1. In order to impose the administrative sanctions stipulated by art. 52 of law 3691/2008, the following is taken into account:
 - (a) possible economic benefits achieved;
 - (b) the risk that the violation in question poses in relation to money laundering and terrorist financing;
 - (c) the value of the illegal transactions carried out and the degree of the Company's participation;
 - (d) the degree of Company cooperation with the competent authorities and particularly with the Private Insurance Supervisory Committee, both during and prior to the investigation and control stage;
 - (e) the diligence formerly exemplified by the Company in implementing the above mentioned provisions;
 - (f) possible repetition of offences;
2. On the other hand, factors that reduce the risk level of the offence and, thus, the level of the penalty, such as the intention to rectify the offence and omit it in the future, are also taken into account.

Article 20

Companies are required to adopt their information systems according to the provisions of art. 16 of the present rule, at the latest 10 months after the publishment in the Government Gazette, whereas the first report of the external auditors as per para 4 of the same article, shall be drafted by 31/03/2010.

Article 21

1. This Decision to be published in the Government Gazette
2. This Decision enters into force from its publication.
3. This Decision does not create any expense for the National Budget.

ANNEX I

The identity card (either of a civilian or military) and the passport are considered to be documents that may be accepted for the purposes of verifying the customer's identity

The data and documents required shall include the following:
Natural Persons

Verifying Identity Data	Verifying Identity Documents
Name, surname and father's name	Civilian Identity Card or
Number of identity card or passport and relevant issuing authority	Valid Passport Military Identity Card
Customer's signature sample	
Current home address	Recent invoice of a Public Service Organisation Rental contract certified by Tax Service Any document issued by Tax Service, verifying one's tax reference number Valid domicile permission
Occupation and Office address and phone number	Employer's Statement Any document issued by Tax Service, verifying one's tax reference number Copy of the last payment statement Profession beginning statement Professional Identity Card Statement by the insurance services
Tax reference number	Any document issued by Tax Service, verifying one's tax reference number

Legal Entities

A	<p><u>Societes Anonymes and limited liability companies:</u> Submission of the copy of the Government Gazette- Societes Anonymes and Limited Liability Companies' Bulletin where a summary of the articles of association of the Societe Anonyme or the Limited Liability Company has been published, which includes, inter alia, the following:</p> <ul style="list-style-type: none"> • The name, the seat, the purpose, the number of the members of the board of directors and the names of the managers of the Limited Liability Company, • The way of the representation of the company • The number and the date of the decision of the authority that approved the establishment of the societe anonyme or the number of the act of registration of paragraph 1 of article 8 of law 3190/1955 'about limited liability companies', • Any Government Gazette copies concerning any amendments of the
---	---

	<p>articles of association relating to the above,</p> <ul style="list-style-type: none"> • Identity data of the legal representatives and of all the persons authorized to handle the account of the company.
B	<p><u>Partnerships:</u></p> <p>Submission of a certified copy of the initial agreement establishing the legal entity, which is filed with the court of first instance and any amendments thereof.</p> <p>Submission of the identity data of the legal representatives and of all the persons authorized to handle the account of the company</p>
C	<p><u>Other Legal Entities:</u></p> <p>Submission of the legalization documents duly certified required in each case.</p> <p>Submission of the identity data of the legal representatives and of all the persons authorized to handle the account of the company</p>

ANNEX II

VERIFYING THE IDENTITY OF THE BENEFICIARY

The undersigned, acting as legal representative of the company
.....(the Company)
hereby declare that (note an X):

- † I am the beneficiary of the property of the company
† the beneficiary of the property of the company is:

Name and Surname:

Address.....:.....

.....

Identity card/ Passport Data:

The undersigned takes on the responsibility of informing the insurance company / the independent insurance intermediary promptly for any change of the beneficiary or his data.

Date:.....

Name and Surname of the company's
representative:

Signature:
.....

ANNEX III

Indicative typology of transactions that require enhanced customer due diligence, F.A.T.F. member states and non-cooperative countries

Companies are bound to examine with special care all transactions. In any case, Companies scrutinise business relationships and transactions with customers coming from countries that used to be considered by F.A.T.F. (Financial Action Task Force) as non-cooperative countries.

A. The following indicative examples of transactions or behaviour demand for enhanced customer due diligence measures:

- I. Indicators of specific transactions that demand for enhanced customer due diligence:
 1. Customer, whom a credit or financial institution refused to have business with.
 2. Customer that has been in any way implicated in insurance fraud.
 3. Unjustifiable delay by the customer or his representative in the provision of documentation and other data necessary to start the insurance transaction, or generally unwillingness to provide information relevant to his business activities.
 4. Rumors and reports regarding the customer or persons connected with him, concerning criminal activities. The Companies are obliged to report immediately when there are news on the Press regarding their customers' criminal activities.
 5. Application for a policy from a potential customer, natural person, in a distant place where a comparable policy could be provided "closer to home"
 6. Customer who refuses to give sufficient identity information, abandoning his right to credit, discount or other allowances.
 7. Customer who refuses to register a bank account, in order to receive the surrender or insurance value.
 8. Customer who has business relationship or derives from or has his domicile or keeps a bank account in drug producing or dealing countries.
 9. Data given from the customer, which are difficult to be verified.
 10. Wire-transfer in off-shore companies accounts.
 11. A transfer of the benefit of a product to an apparently unrelated (not a relative, a husband or wife, a cohabite partner relationship) third party
 12. Insurance "to whom it belongs"
 13. Unusual negative or false insurance announcements regarding the insured's person or a possible third party's health or age.
 14. Unusual pre-payment of the premium.
 15. Clear preference in cash or cheque payments, even for amounts of money more than 15000 EUR or for periodical and in short periods, that is less than six months, payments.
 16. Insurance policies with premiums that exceed the client's apparent means
 17. Customer asks for insurance policy that clearly exceeds his usual insurance preferences
 18. Customer attempts to pay the premium with cheque, bill of exchange, stock etc. not issued by himself, or issued to the carrier
 19. Customer not named in the premium payment bank receipt
 20. Customer applies for a loan shortly after he entered a single premium insurance policy
 21. Announcement of the insurance policy being sold or put on security for loan, before or after the insurance policy is fulfilled (Typology of terrorist financing)
 22. Customer demands to be paid in cheque non crossed (Typology of terrorist financing)

23. Early surrender, especially if it's very unfavourable for the customer or in case of an insurance of great value, when the surrender value is transferred to a third party or is paid in cheque, on demand of the customer (Typology of terrorist financing)
24. Customer indifferent on the financial terms of the transaction. Moreover, customer interested less on the profit of the insurance product, especially when investment related, and more on the surrender capacity and terms in general.
25. Unactuated Customer who suddenly becomes active.
26. Considerable and sudden increase of the transactions compared to the previous customer's behaviour.
27. Unusual nervousness of persons during the transaction.
28. Customer refusing to deal personally with the Company.
29. Recurrent similar transactions of value just under the minimum threshold, above which customer identification is required, especially payment of premium in many different bank branches with amounts just under the threshold, above which customer identification is required.
30. Frequent change of customer's address, not justifiable by his profession.
31. Customers with constant changes of standard of living or appearance.
32. Customer dealing with several insurance companies.
33. Disconnected home or business phone number.
34. Suspicions or finding of the Customer's foundation of façade companies.
35. Complicated or unusual transactions with no obvious financial or clear legitimate purpose.

II. Indicators of enhanced due diligence behaviour of an employee or a tied insurance intermediary

1. Employee or intermediary running an extravagant way of living, incompatible to his wages or his income.
2. Employee or intermediary failing to comply with known policies, procedures and methods.

All examples given are indicative and do not necessarily consist money laundering actions, but may hide important danger of money laundering and terrorist financing. In any case, Companies must show increased diligence when investigation and evaluation of the nature and legitimacy of all suspicious transactions.

A. COUNTRIES AND ORGANISATIONS MEMBERS OF F.A.T.F.

Argentina	United Kingdom	New Zealand
Australia	U.S.A.	Norway
Austria	Japan	South Africa
Belgium	Ireland	Holland
Brasil	Island	Portugal
France	Spain	Russian Federation
Germany	Italy	Singapore
Danmark	Canada	Sweden
Switzerland	China	Turkey
Greece	Luxembourg	Finland
	Mexico	Hong-Kong
European Commission (EC)		
Gulf Cooperation Countries (GCC)		

B. TRANSACTIONS WITH NON-COOPERATIVE COUNTRIES

After the Financial Action Task Force (F.A.T.F.) Plenary relevant decision, there are no more non-cooperative countries. That does not mean, as F.A.T.F. announced, that a country, which is a serious threat to the international initiative against money laundering and terrorist financing, cannot be characterised.