

Addendum

Please note:

1. There have been two changes to the proposed rule in SUP 16.22.1R in relation to the scope of the Annual Financial Crime Report. The amendments introducing clauses (4) and (5) clarify that, alongside the UK pure reinsurers and EEA insurers captured by the published instrument, the policy intention is that this return would also apply to:
 - general insurance intermediaries which generated over £5 million in revenue as at the firm's previous accounting reference date; and
 - EEA pure reinsurers.
2. This population of firms were included in the original CBA, and our assessment for the compatibility statement, impact on mutual societies and equality and diversity, contained in Chapter 6, and we are now clarifying this in the draft rules. We have therefore published this addendum to ensure that the proposed application of the Annual Financial Crime Report in the consultation in Chapter 6 of CP15/42 is clear. This change has been inserted in Chapter 6 and the draft rules have been amended in Appendix 6 to CP15/42.
3. The consultation period has been extended until 18 February 2016.

Annex

Amendments to the Supervision manual (SUP)

Part 3: Comes into force on 31 December 2016

After SUP 16.21 (Reporting under the MCD Order for CBTL firms) insert the following new section. The text is not underlined.

16.22 Annual Financial Crime Report

Application

- 16.22.1 R This section applies to the following *firms*, unless the *firm* is excluded under SUP 16.22.2R:
- (1) a *firm* subject to the *Money Laundering Regulations*;
[**Note:** articles 3 and 4 of the *Money Laundering Regulations* set out their scope of application.]
 - (2) a *managing agent* at Lloyd's;
 - (3) a *firm* with a *permission* to carry on the *regulated activities* of:
 - (a) *effecting contracts of insurance*; or
 - (b) *carrying out contracts of insurance*;
 - (4) an *EEA pure reinsurer*; and
 - (5) an *insurance intermediary* not in (1).