

Date: 09/09/2009

Ref: IRDA/F&I/CIR/AML/33/09/2009

To

The CEO's of All Insurance Companies

Sub: The Prevention of Money Laundering (Amendment) Act, 2009

The Prevention of Money Laundering Act, 2002 (the Act) has been amended vide the Prevention of Money Laundering (Amendment) Act, 2009 (No. 21 of 2009) which has come into force on 1 st June, 2009 vide Gazette Notification No. S.O. 1338(E)

2. The amendments to the Act have been made with a view to strengthen the legal framework for Anti-Money Laundering and Combating the Financing of Terror (AML/CFT). List of offences in Part A (offences without threshold value) of the Schedule to the Act and Part B (offences with threshold value) have been significantly expanded. The amendments, inter alia, specify the time frame for retention of various records viz., CTRs/STRs and client identity records.

3. While there is no need for any consequent change in the stipulations of IRDA on Record Keeping by insurance companies, it is clarified that records pertaining to CTRs/STRs as defined in clause 3.1.6 to 3.1.8 of the Master Circular Ref: 022/IRDA/MasterAML/Nov-08 dated 24th November 2008 on AML guidelines shall be maintained for a period of ten years from the **date of transaction** between the client and the insurance company

4. Insurance Companies are advised to ensure compliance and effect changes to their AML policy at the earliest.

Sd/-

(C.R. Muralidharan)
Member (F&I)