

## **Compliance notice - Prevention of Financial Crime**

***Dear Members:***

The prevention of bribery, corruption, money laundering and financing of terrorism remains a priority for many regulatory authorities around the world. Members should continue to review their compliance programmes in this regard, to ensure that they remain effective.

Useful information on dealing with financial crime in the maritime industry can be found here:

- [International Chamber of Commerce – International Maritime Bureau - Commercial Crime Services](#)
- [The Financial Action Task Force](#)
- [EU Sanctions Program](#)
- [US Sanctions Program](#)
- [The Maritime Anti-Corruption Network](#)

Marine insurers, like other financial institutions such as brokers and banks, are required to have effective systems and controls in place to detect, prevent and deter crime and especially financial crime. As an example, insurance companies operating internationally are subject to various anti-corruption rules like for instance the Foreign Corruption Practices Act in the US and the UK Bribery Act with their international reach. These rules are possibly the most extensive piece of anti-bribery legislation in the world and are designed to promote a zero-tolerance approach in relation to bribery and corruption. Similar to other financial institutions, marine insurers are also subject to a number of stringent reporting obligations relating to money laundering which mean that even circumstances which make us suspect that crimes have taken place may have to be reported to the relevant authorities.

Marine insurers may have to report the nature of the incident or suspicious circumstances and the person or persons who they believe are or may be recipients of any bribe or corrupt payment (i.e. the proceeds of crime), and rules to prevent money laundering require detailed Know Your Customer checks to ensure regulatory compliance. We cannot predict what the authorities may do with this information or to which other authorities (either in the country where the payment was made or the country where the Member is located) the information might be passed for further investigation. It is conceivable that this may, for example, result in Members being asked whether Members' own compliance policies are being followed.

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