

Responding Party	Document Reference	Requested Change	Rationale for change	Other Comment
IMIA/Firm A, Firm F and Firm G	CP128 - Question 5	CBI to provide examples of ID and verification methods expected for various entity types and risk levels. A section similar to pages 115 – 131 of the 2012 Core Guidelines would be very useful.	Firm A: Given that the CBI AML Guidelines are intended to replace the Department of Finance Core Guidelines from 2012, as demonstrated by its from the CBI website, it would be extremely useful to have examples of ID & V. As part of a large financial organisations, this firm aims to ensure that the Irish requirements are reflected sufficiently in our Global AML Policy and this is done through legal backing. When the guidance is vague, it makes this process a lot more difficult.	Firm F: Clients and Intermediaries can relate to the certainty which arises from a regulator's "Preferred list" of documentation. Experience has proven that both clients and intermediaries seek to push back on specific documentation where this is not conveniently to hand and less robust documentation which is convenient is furnished. The absence of a list will prevent Firms from advising such clients of the provenance of the requested documentation. This will likely lead to a decrease in the quality of the documentation obtained in the CDD process.
IMIA/Firm A & IMIA Firm G	CBI Guidelines Section 4.4.1 Customer's Business or Professional Activities	We request clarification on the CBI's position on whether Enhanced Due Diligence should apply if just one director of an institutional client is a PEPs. The Guidance states that it is a risk factor if: <i>"One or more of the customer's directors are PEPs and if so, these PEPs exercise significant control over the customer or the beneficial owner. Where a customer or a beneficial owner is a PEP, firms must always apply enhanced due diligence measures in line with Section 37 of the CIA 2010"</i>	Firm A: We seek clarification on the scope of application in relation to PEPs. Does the CBI intend the case to be that where one director of a customer is a PEP so therefore the customer is to be considered by default as a PEP Entity, subject to EDD and Senior Management sign off or should this guidance be less prescriptive an open to interpretation based on the control of a PEP on a Board or within an entity. Firm D: Risk factors in the guidelines include customers or beneficial owners having links to sectors including construction, pharma and healthcare. Where customers are large multinationals, having to do this level of due diligence in relation to their affiliated entities and beneficial owners different business interests seems disproportionately onerous and may result in a large number of new 'high risk' customers, which will divert resources and attention from the truly high risk customer.	Firm G: We seek clarification on what to do if one director of an institutional client is a PEP. Does Enhanced Due Diligence automatically apply or can the company determine on a risk based approach whether to apply it? It appears excessive to have to automatically apply EDD to a client if one director is a PEP and it would be useful to give company's discretion in this regard to apply a risk based approach
IMIA/Firm D & IMIA Firm G	CBI Guidelines Section 4 Risk Management	Suggest including a reasonableness test for the level of due diligence required when assessing risk rating. would suggest changing the wording from risk factors which "should" be considered, to risk factors which "may" be considered	Firm G: We believe that naming the sectors pharmaceuticals and healthcare sector as high risk is far too conservative	
IMIA/Firm B	CBI Guidelines Section 4.2 - Business-wide Risk Assessment	An example of a Business-Wide Risk Assessment would assist industry in meeting obligations Include the word 'business' in the first line i.e. 'A risk assessment should consist of two distinct but related steps:' -	E.g. The Law Society has developed a sample Business Risk Assessment to assist professionals in complying with their section 30A obligation to carry out a business risk assessment.	
IMIA/Firm E	CBI Guidelines Section 4.2 Business-wide Risk Assessment	change to 'A business risk assessment should consist of two distinct but related steps'	To differentiate from guidance on customer risk assessment To understand how many BRAs are to be completed in a Group context i.e. is it only the parent company or each subsidiary firm/business	
IMIA/Firm E	CBI Guidelines Section 4.2 Business-wide Risk Assessment	Include guidance how BRAs should be completed in a Group context	If a firm is part of a group, is each firm in the group required to complete a BRA and in addition would a Group BRA also be required?	

			<p>The degree of discretion required when assessing risk ratings will make it very difficult to automate and/or proceduralise the risk rating process. This will lead to inconsistencies in application and may have the unintended consequence of involving Compliance, a second line function, in first line operational KYC activity as Compliance opinion may frequently be required. This is particularly the case when there will need to be frequent reversion to the Business Risk Assessment when assessing a customer risk rating. Evidencing how one can automatically link to the other would be highly welcomed.</p> <p>To understand how many directors should be PEP checked e.g. all or only those who exercise significant control over the customer or beneficial owner</p> <p>To ensure there will be consistency in determining what is a director with 'significant control', as is prescribed in the case of Beneficial Owners</p>
IMIA/Firm D	CBI Guidelines Section 4 Risk Management and 5.1 Application of Risk Assessment	More specific guidance required in relation to assessing customer risk ratings, and providing practical examples of how the Business Risk Assessment should link to the customer risk assessment would be welcomed	
IMIA/Firm E	CBI Guidelines Section 4.4.1 Customer's Business or Professional Activities	Include guidance on PEPs and directors to clarify if PEP check is required on all directors	
IMIA/Firm E	CBI Guidelines Section 4.4.1 Customer's Business or Professional Activities	Include guidance on how to determine if a director exercises significant control over the customer or beneficial owner	
		<p>The Guidance seeks to expand the legislative definition of PEPs to include:</p> <ul style="list-style-type: none"> • Holds another prominent position or enjoys a high public profile that might enable them to abuse this position for private gain. For example, they are: <ul style="list-style-type: none"> o Senior local or regional public officials with the ability to influence the awarding of public contracts; o Decision-making members of high profile sporting bodies; o Individuals that are known to influence the government and other senior decision-makers. We would like clarity on the Central Bank's expectation with regard to firm's ability to identify such persons. <p>Suggest removing the sentence that "the absence of criminal convictions alone may not be sufficient to dismiss allegations of wrongdoing"</p> <p>Include examples of types of activities that would put a 'non-profit organisation' at a heightened risk of being abused for terrorist financing purposes</p>	<p>We do not believe this is appropriate as legislators had the opportunity to fully consider the matter and chose to exclude such persons.</p> <p>We believe that it will not be economically feasible to identify such individuals. We are concerned Firms may face sanction should they have a client who is such an individual and who is found guilty of an AML offence or predicate offence. Whilst we would expect Member Firms to identify the risks arising from such individuals in staff training, we would like clarity as to the Central Bank's expectations with regard to identifying such persons at client take-on and subsequent monitoring.</p>
IMIA/Firm F	CBI Guidelines Section 4.4.1 Customer's Business or Professional Activities		
IMIA/Firm D	CBI Guidelines Section 4.4.2 Customer's Reputation		This could cause legal difficulties. Guilt cannot be pre-determined and may result in business being declined unfairly.
IMIA/Firm E	CBI Guidelines 4.4.2 Customer's Reputation		To ensure consistency in what is considered activity that would put a 'non-profit organisation' at a heightened risk of terrorist financing
			<p>It is noted that other firms in this response have requested a list of more prescriptive identification requirements, ie to give examples of what would qualify as acceptable information from a customer to identify their beneficial owner. When 'accepting information obtained from the customer rather than an independent source' to identify a beneficial owner, might acceptable information be, for example, an email from the customer detailing the name and address of Beneficial Owner? Note this question is about identifying, rather than verifying identity.</p>
IMIA/Firm E	CBI Guidelines 5.4.1 SDD measures which Firms may apply to Business Relationships or Transactions	More clarity on what is meant by 'accepting information obtained from the customer rather than an independent source when verifying the beneficial owner's identity (note this is not permitted in relation to the verification of the customer's identity);	
IMIA/Firm E	CBI Guidelines 5.2.4 Purpose and Nature of the Business Relationship	Clarify if signatories to accounts should be subject to CDD	It would be helpful to understand if CDD should include identification and verification of signatories as this is not explicitly mentioned

IMIA/Firm C	CBI Guidelines Section 5.2.6 - Reliance on Other Parties to carry out CDD	Is chain- reliance on third parties under Section 40 (3) permitted and what are the suggested guidelines?	Regarding the AML/CTF Guidelines, it would be helpful if the Central Bank can clarify in the guidelines on whether a firm can place reliance under a Section 40(3) arrangement on a relevant third party (client) who in turn relies on another relevant third party under a Section 40(3) arrangement, to complete the measures set out in S33 and/or S35(1.).
IMIA/Firm F	CBI Guidelines 5.2 – last bullet last sentence	This point should contain a reference to balancing the need to act in the customer’s best interest with the need to protect the financial system from abuse.	Stating that "It is important that at all times, firms act in the best interest of the customer" does not at all recognise the focus of the legislation which is to protect the integrity of the financial system and avoid it being used for money laundering or financing terrorism.
IMIA/Firm A	CBI Guidelines Section 6.2 Role and Responsibilities of Senior Management	The definition of “Senior Management” in Part 6.2: Governance of the CBI Guidelines should be clarified	The CBI should provide this clarification to ensure the meaning of the term “Senior Management” in the context of this part of the guidance is clear for firms. For example is it the executive management or Board of a Credit Institution). In addition, within the CBI Guidelines it appears that some parts of the document that it refers to Management within an entity, whilst in other parts it appears to reference the Board of Directors. The CBI Guidelines should be consistent with ESA Risk Factor Guidelines/4AML (EU 2015/849) - <i>‘senior management’ means an officer or employee with sufficient knowledge of the institution’s money laundering and terrorist financing risk exposure and sufficient seniority to take decisions affecting its risk exposure, and need not, in all cases, be a member of the board of directors;”</i>
IMIA/Firm B	CBI Guidelines Section 6.6.1 - Group wide policies and procedures	We request further guidance and examples on the extent to which group wide policies and procedures apply, particularly where the parent undertaking of the designated person is domiciled in a third country and may or may not be a regulated financial services provider.	Section 57(1) states that a designated person that is part of group shall implement group-wide policies and procedures.... Section 57 (2) also requires a designated person that operates an <u>establishment</u> outside the State to ensure that the <u>establishment</u> adopts and applies group-wide policies and procedures. This requirement appears to be a much broader obligation than operating a branch or majority-owned subsidiary. Request clarity as to what is understood by the term 'establishment'.
IMIA/Firm E	CBI Guidelines 10.3 Financial Sanctions Obligations on Firms	Please provide contact details for Central Bank for reporting 'hit'. Should this be the firm's supervisor or a general email address?	As is provided for FIU through goAML, to have a similarly definitive 'address' to submit Financial Sanctions 'hits' to the Central Bank, such as an email address
IMIA/Firm A	N/A	We request guidance on the CDD measures to be applied to Pooled accounts. At the Matheson Industry briefing (26.03.2019) Domhnall Cullinan noted that the Guidance would be updated on a regular basis. As this will be the case any update should be easily and clearly identifiable.	The JMLSG provides clear guidelines to follow in cases of pooled accounts, whilst the EBA Guidance (section 109-112) provides high level guidelines. We would request guidance on the approach to take in these cases.
IMIA/Firm F	N/A		Effective updating of internal policies and procedures