



43 VICTORIA STREET
HAMILTON 12
BERMUDA

PHONE: (441) 295-5278
FAX: (441) 292-7471
EMAIL: enquiries@bma.bm

PRESS RELEASE

For Release: Monday, 27th February 2017

BERMUDA MONETARY AUTHORITY FINES SUN LIFE FINANCIAL INVESTMENTS (BERMUDA) LTD \$1,500,000 AND RESTRICTS LICENCE

HAMILTON, BERMUDA – Bermuda Monetary Authority (the Authority) has imposed civil penalties totalling \$1,500,000 on Sun Life Financial Investments (Bermuda) Ltd (the Company) pursuant to the provisions of section 20 of the Proceeds of Crime (Anti-Money Laundering & Terrorist Financing Supervision & Enforcement) Act 2008, and restricted the Company's Investment Business licence pursuant to section 20 of the Investment Business Act 2003.

The civil penalties have been imposed for the Company's failure to comply adequately with the following requirements of the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (the Regulations):

- i) The application of Customer Due Diligence (CDD) measures;
- ii) Ongoing monitoring of business relationships;
- iii) Ceasing transactions where it is not possible to apply CDD measures;
- iv) The application of Enhanced Due Diligence; and
- v) The establishment and maintenance of appropriate and risk sensitive policies and procedures.

Some of the findings represented failings of the Company to adequately remediate similar findings from an onsite review conducted in 2013. The Authority views these breaches as serious because of their extent and duration, and because they demonstrated systemic weaknesses in the Company's internal AML/ATF controls. The Regulations have been in effect since 2009.

This case highlights the importance of licensees having in place up-to-date AML/ATF policies and procedures which are appropriate, effective and fully implemented in order to avoid the risk of financial products being used as a vehicle for money laundering or terrorist financing.

In determining the appropriate level for these civil penalties, the Authority took account of the fact that in December 2015 the Company closed its investment business to new sales. The Authority also took account of the Company's full cooperation during the onsite process. The Company has agreed to implement enhanced controls to ensure compliance in the future.

The Authority has also imposed the following restrictions on the licence:

43 VICTORIA STREET
HAMILTON 12
BERMUDA



PHONE: (441) 295-5278
FAX: (441) 292-7471
EMAIL: enquiries@bma.bm

PRESS RELEASE

- i) The Company is prohibited from accepting or soliciting any new investment business;
- ii) The Company is prohibited from making or permitting any redemptions or withdrawals from any existing policy or account unless such policy or account has been verified as compliant by an approved third party;
- iii) The Company is prohibited from accepting or permitting any payments into any existing policy or account; and
- iv) The Company is required to demonstrate to the Authority on a regular basis that it is making significant progress to remediate existing files to the standards provided for by the statutes and regulations, to do so in conjunction with a suitably qualified third party provider, and to complete the remediation plan within a period of 24 months.

The Authority considered that it was necessary to impose these restrictions to reduce the risk of money laundering/terrorist financing and because it was in the best interests of the investors. The restrictions will remain in place until the Authority is satisfied by way of independent verification (the costs of which are to be met by the Company) that the Company is fully compliant with its obligations.

The breaches outlined above came to light during an onsite review of the Company's activities conducted by the Authority in May 2016. Thereafter the statutory process was followed, culminating in a 28-day appeal period which terminated on 24th February 2017. The decision was not appealed.

Media Contact: Stuart Roberts, Communications Manager, Direct line: (441) 278-0312; Cellular: (441)704-4117; E-mail: sroberts@bma.bm

Note to Editors:

In the Authority's 2016 *Business Plan*, CEO Jeremy Cox announced a pivotal change of policy in relation to enforcement decisions. He said: "Until now, the Authority has chosen to limit publicly disclosed details of enforcement actions to a fairly brief notification in its annual report. But from 2016 onwards, the Authority will publish details of any use of its enforcement powers. Such publicity will be in the form of a press release issued by the Authority following conclusion of any appeal or after expiry of an appeal period. The release will detail the nature of the enforcement action, the size of any penalty, the identity of the entity or person involved and the circumstances of the breach. Details will also be included in the annual report and on the Authority's website." Mr. Cox added that this increased transparency was critical to the reputation of the jurisdiction "and is intended to demonstrate to those who rely on our supervisory adjudications that their trust is not misplaced and that Bermuda-based entities found to be deficient in meeting their obligations run the risk of being required to account publicly for their actions".

– Ends –